

মুনাফার সাথে আস্থাতাও বেশি

বেশি মুনাফা 1%

এসআইবিএল সুপার সেভিংস একাউন্ট

পঞ্চদশ-উর্ধ্ব সিনিয়র সিনিয়র সিটিজেনদের জন্য। ১৮-উর্ধ্ব মহিলারাও এই হিসাবটি খুলতে পারবেন।

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IFC ready to lend \$1b a year

Complex approval and process deprive Bangladesh of the low-cost funds

STAR BUSINESS REPORT

The International Finance Corporation (IFC), a member of the World Bank Group, is ready to lend Bangladesh \$1 billion a year to meet its long-term financing needs.

But the country could not avail the facility due to delay in approval and complex processes, a top official of the IFC said yesterday.

He said the IFC's long-term funding for the last fiscal year that ended on June 30 was \$426 million, the lowest in several years.

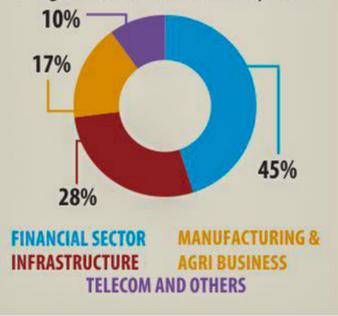
The official made the comments on the sidelines of a workshop on "Investment Process and IFC Strategy for FY17-21" jointly organised by the IFC and Economic Relations Division (ERD) at the Pan Pacific Sonargaon hotel in Dhaka.

He said the way Bangladesh Bank fixed interest rates of foreign funds was also faulty.

The central bank follows an unwritten policy, which has set the maximum interest rate on the IFC loans at 6 percent taking into account the London interbank offered rate (LIBOR). Presently, the BB has capped the interest rate at LIBOR+3 percent but it can not be more than 6 percent.

No one has any control over the LIBOR, the benchmark rate used globally. The

IFC's \$1.6b committed portfolio in Bangladesh at the end of July 2018



LIBOR rate was 2.88 percent as of September 14, 2018. It went down to as low as 0.5 percent during the global financial crisis.

"The LIBOR could go up to 4 percent on the back of growing demand. How then Bangladeshi borrowers would follow the BB's 6 percent fixed rate?" asked the IFC official, asking not to be named.

"Bangladesh needs a guideline for approval of foreign loans and its interest rate."

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RESERVE HEIST US law firms to advise BB on damage claim

REJAUL KARIM BYRON

US law firms will provide reports to Bangladesh Bank in the next three weeks on the basis of which the central bank will file a damage claim suit with a New York court in connection with the BB reserve heist.

A BB high official said they appointed two law firms from among five for consultation about the damage suit. The official said, after getting the report, they would file the damage claim suit in a New York court by this year.

He said earlier they decided to file the suit next year. But after the US government framed a charge about the reserve heist, the central bank decided to go for filing the suit this year.

According to a Reuters report on September 6, the US government charged and sanctioned a North Korean man in the 2017 global WannaCry ransomware cyber attack and the 2014 cyber assault on Sony Corp.

The charges, part of a strategy by the US government to deter future cyber attacks by naming and shaming the alleged perpetrators, also alleged that the North Korean hacker broke into the central bank of Bangladesh in 2016, according to a criminal complaint.

The BB official said the attempt to recover the stolen money of the central bank was now under legal process and more time would be needed to complete it through the Philippines' legal procedures.

The official said the BB has decided to continue the process of recovering the stolen money by filing a damage claim in a New York court.

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Thaicom to market Bangabandhu-1

Six countries chosen initially for business

MUHAMMAD ZAHIDIUL ISLAM

An international consultancy has been appointed to market and sell connectivity of Bangabandhu-1 satellite in six countries, including four neighbours.

Thaicom, a renowned satellite company of Thailand currently active in around 20 countries, got into a two-year agreement under a revenue sharing model with state-owned Bangladesh Communication Satellite Company Limited (BCSCL).

The country's first geostationary communication satellite can mostly cover South Asian countries alongside Indonesia, the Philippines, Myanmar, Tajikistan, Kyrgyzstan, Uzbekistan, Turkmenistan and a part of Kazakhstan.

The coverage is the strongest in Indonesia, the Philippines, India, Sri Lanka, Nepal and Bhutan, for which these six countries have initially been chosen for business.

The satellite's operations include "direct-to-home" service for TV channels, VSAT (very small aperture terminal), backhaul and trunking, network restoration, disaster preparedness and relief.

BCSCL officials said it would take six months to develop product packages for marketing and sale. During this time, Thaicom will help Bangladesh get landing rights, which are permissions for using a satellite in a country.

Thaicom has given an undertaking to keep from marketing other satellites in those

six countries for the duration of the agreement. "This will help avoid conflict," said Shahjahan Mahmood, chairman of the BCSCL board.

The BCSCL has written to Bangladesh missions in those six countries alongside their missions in Dhaka to make Bangabandhu-1's business process easier, he said.

"Actually we have zero experience in satellite business and we are so lucky that the BCSCL got a firm like Thaicom," said Mahmood, also former chairman of Bangladesh Telecommunication Regulatory Commission which ran the satellite launching project.

A top BCSCL official said Thaicom would only get 10 percent of what is earned for Bangabandhu-1 while the BCSCL would bear fees and charges, including those for landing rights.

Project documents say the government plans to recoup the Tk 2,702 crore spent behind the satellite within seven years of the launch, which took place on May 11, most of it from the local market.

Officials said each local television channel currently spends \$20,000 on an average every month behind satellite connectivity.

If 40 of the channels are taken into consideration, Bangabandhu-1 could earn \$9.6 million every year, they said, adding that this was just one source of revenue, that too from local TV channels.

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Mutual funds get nod for time extension

STAR BUSINESS REPORT

The stockmarket regulator has given a go-ahead to the extension of the tenure of closed-end mutual funds and handed over the right to the asset managers.

Bangladesh Securities and Exchange Commission (BSEC) took the decision on Sunday amid strong opposition from the stock analysts who feared the extension may deepen the confidence crisis in the capital market.

Closed-end mutual funds are investment funds that gather a fixed pool of money for 10 years from a number of investors and re-invest them into stocks, bonds and other assets.

The asset managers can now extend or go for redemption or conversion of the closed-end mutual funds to the open-ended ones, Saifur Rahman, spokesperson of BSEC, told The Daily Star.

The decision has been taken to comply with a government order, said Rahman, also executive director of BSEC.

Last week, Finance minister AMA Muhiith instructed BSEC to extend the tenure of closed-end mutual funds.

The new BSEC move has started affecting the stockmarket. Of the 34 mutual funds traded yesterday, 4 rose, 24 declined and 6 remained unchanged.



Md Mujibul Haque, state minister for labour and employment; Md Israfil Alam, a member of the parliamentary standing committee on the expatriates welfare ministry, and Abdul Qayyum, associate editor of Bangla daily Prothom Alo, attend a roundtable on labour law at the office of the daily in Dhaka yesterday.

INDUSTRIAL ACCIDENTS

Union leaders demand Tk 20 lakh compensation

STAR BUSINESS REPORT

Union leaders and a rights organisation yesterday demanded an increase in the amount of compensation paid to workers in case of industrial accidents to Tk 20 lakh from the proposed Tk 2 lakh in line with the convention of International Labour Organization.

In case of death caused by industrial accidents, the amount would be 25 percent more, or Tk 25 lakh, considering the loss of future earnings, as described in the ILO Convention 121, according to the Bangladesh Legal Aid and Services Trust (BLAST).

Echoing the views of the rights organisation, Wajedul Islam Khan, general secretary of Bangladesh Trade Union Kendra, also a rights group, said, "The amount should be fixed following the ILO Convention 121 so that workers can receive more money in case of

death and injuries during accidents."

The views were expressed at a discussion at the office of Bangla daily Prothom Alo in Dhaka.

The demand came a couple of weeks after the cabinet approved a draft of the labour law that doubled the compensation to Tk 2 lakh. The draft is expected to be placed before parliament following vetting from the law ministry soon.

A group of rights groups and union leaders have rejected the amount and urged the government to review it.

Khan said the compensation paid to the workers was fixed at Tk 1 lakh more than a decade ago. The amount has been doubled in the proposed amendment although inflation has risen a lot over the years.

He called the amount too scanty.

Khan said the victims of the Rana Plaza

building collapse received more than Tk 20 lakh as compensation as it followed the ILO Convention 121 even though Bangladesh is yet to ratify the treaty.

He also urged the government to withdraw the provision that specifies the percentage of workers' participation required to form trade unions, so that they can easily establish the association.

The draft has lowered the workers' participation required to form trade unions at factories to 20 percent from 30 percent under pressure from the ILO and other international communities.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, suggested that the government set up labour courts in industrial zones so that workers can easily attend case hearings.

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All acts to be superseded by corporate governance code

Confirms BSEC at seminar

STAR BUSINESS REPORT

Listed banks and insurance companies must follow the Bangladesh Securities and Exchange Commission's (BSEC) corporate governance code, even if it contradicts the bank companies and insurance acts, said the stockmarket regulator yesterday.

It was a reply of Swapan Kumar Bala, a BSEC commissioner, against a question during a "corporate governance" seminar organised by the BSEC at Bangabandhu International Conference Centre.

A participant pointed out that as per the bank companies act, a bank has to have two independent directors if it has fewer than 20 directors.

This contradicts the code, which stipulates that at least one-fifth of directors in a company's board shall be independent ones.

M Hasan Mahmud, executive director of the BSEC, while giving a presentation, clarified that as per the code, if the total number of directors divided by five results in a fraction, the next integer has to be considered as the required number of independent directors.

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BENAPOLE CUSTOMS New machine to identify goods in no time

OUR CORRESPONDENT, Benapole

Benapole Customs House yesterday introduced a new machine—Raman Spectrometer—to identify contents of imported goods in just 30 seconds, much lower than the 20 days that it usually takes.

The machine can accurately identify 13,000 types of liquids and chemicals in the blink of an eye, which will help a lot to stop import of illegal goods, said Benapole Customs Commissioner Belal Hossain Chowdhury.

"The machine will be very useful to detect banned and harmful chemicals, including drugs and explosives, and squeeze the spread of import under false declaration."

Over 70 percent or around \$3 billion worth of the trade between Bangladesh and India—are carried out through Benapole, the biggest port after Chattogram.

Earlier, businesses had to wait for around 20 days to send and get the test results from Dhaka for the goods they imported, Chowdhury said.

He spoke at the launch of the machine at the auditorium of the customs house in Benapole.

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India to merge three state-owned banks

REUTERS, New Delhi

India plans to merge three state-run banks, Bank of Baroda, Dena Bank and Vijaya Bank, the financial services secretary said on Monday, as part of efforts to clean up the country's banking system.

The government will continue to provide capital support to the merged bank, expected to be India's third largest, Rajeev Kumar told reporters.

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