

মুনাফার সাথে আস্থাটাও বেশি

বেশি মুনাফা ১%

এসআইবিএল সুপার সেভিংস একাউন্ট

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

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Star BUSINESS

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Investment hits record high

Private investment still slow

REJAUJ KARIM BYRON

Overall investment crossed 31 percent of GDP for the first time in Bangladesh's history last fiscal year thanks to a spike in public spending on mega infrastructure projects now being implemented.

In fiscal 2017-18, overall investment to gross domestic product ratio stood at 31.23 percent, which was 30.51 percent the previous year, according to data from the Bangladesh Bureau of Statistics.

For about a decade the ratio has been hovering between 27 and 30 percent. But to hit the country's growth ambitions, it can ill afford to hover around the 31 percent-mark. The ratio has to be about 35 percent of GDP, according to economists.

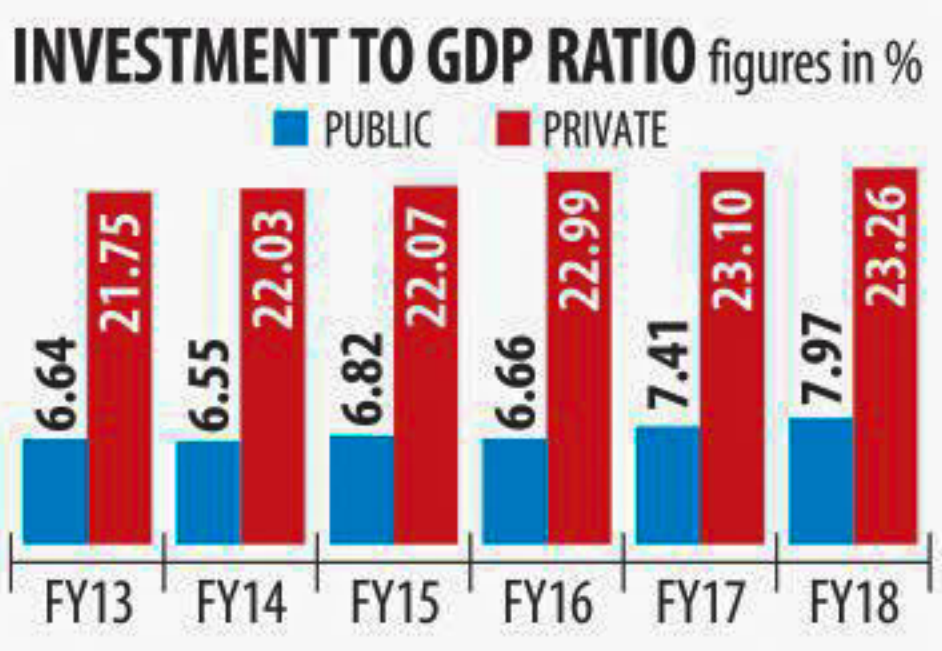
The BBS data showed the slow pace of growth in investment is mainly due to public investment: in fiscal 2017-18, public investment to GDP was 7.97 percent.

On the other hand, private investment was 23.26 percent of GDP, up from 23.10 percent in fiscal 2016-17.

For the last one decade, private investment to GDP ratio has been stuck at 21 to 23 percent.

In November 2016, the excess liquidity in the banking sector was Tk 277,956 crore. In May 2018, it was Tk 79,650 crore, according to data from the Bangladesh Bank.

This suggests, the idle money in the banking sector has



shrunk almost 3.5 times in the past one and a half years.

Furthermore, private sector credit growth increased by more than 1 percentage point last fiscal year to 16.94 percent.

And yet, on paper, private investment did not increase at that rate.

Observers though said there are various reasons behind private investment not picking up, such as inadequate gas and electricity connections and poor road communication.

The investment rate has recently increased modestly, driven primarily by the rise in public investment, said Zahid Hussain, lead economist at the World Bank's Dhaka office.

Private investment rose 0.3 percentage points of GDP in the last two years and public investment 1.3 percentage points.

"Two questions immediately come to mind. First, why has the increase in public investment not translated into increases in private investment?"

"Second, why the growth of private investment has not outpaced the growth in the size of the economy, as would be expected in an emerging and a highly promising economy such as Bangladesh with a strategic geographic location, a huge potential for demographic dividends and a demonstrated dynamic class of entrepreneurs?" Hussain asked.

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Indian minister praises Bangladesh economy

STAR BUSINESS REPORT

The economic development of Bangladesh is a unique model and a good example for the rest of the world, said visiting Indian Commerce Minister Suresh Prabhu yesterday.

He said at first, social and human resources development took place in Bangladesh, followed by economic development.

"All the three developments happened together and it is unique," he said.

Prabhu was speaking on Bangladesh-India trade relations at a dinner hosted by the commerce minister of Bangladesh at the Sonargaon hotel in Dhaka.

"This is a very exciting time between Bangladesh and India. But there are challenges. We look forward to working together," he said.

The Indian minister also sought more cooperation from Bangladesh for stronger negotiation on different issues in World Trade Organization (WTO).

"The future of both countries is depending on the WTO," said Prabhu.

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Most advanced data centre set for test run



MUHAMMAD ZAHIDUL ISLAM

A test run of Bangladesh's first Tier 4 national data centre, comprising the most advanced technology in use around the world, will begin in the first week of October as part of the government's move to boost the country's data storage capacity.

Commercial operations of the centre, located in the Bangabandhu Hi-Tech City at Kaliakoir in Gazipur, will begin in December this year.

Following the trial run, Uptime Institute, the global authority on data centre best practices, will carry out a technical audit in October and another after its successful run for a year before giving certification to the country.

The recognition will make it the eighth Tier 4 centre in the world and the second in

Asia, said officials related with the project.

In June last year, the government received a certificate from the Seattle-based institute after it examined the design, facility and operational sustainability of the centre.

"This is a pride project like the country's first satellite Bangabandhu-1 and it will be famous," said Mustafa Jabbar, the ICT and telecom minister.

All the necessary equipment have been installed and it might start working within the next couple of weeks, he told The Daily Star.

With the trial, the Information and Communication Technology Division is moving to expand the capacity of the centre by at least four times from the current storage facility.

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Accord, Alliance brought dramatic changes: Bernicat

STAR BUSINESS REPORT

Workplace safety in Bangladesh's garment sector has witnessed a dramatic transformation due to inspection and remediation by two foreign agencies, the Accord and the Alliance, said Marcia Bernicat, the outgoing US ambassador, yesterday.

"Since 2013, with the help of the Accord and the Alliance, you have dramatically transformed your garment and apparel factories, making them among the safest in the world," she said.

She was addressing a farewell lunch meeting organised by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at its office in Dhaka.

"I was here for much of this time and witnessed this transformation first-hand. I realise that this was a difficult and expensive process, but it will continue to pay off for years to come - if you don't become complacent," Bernicat said.

However, now the challenge is completing the remediation of the factories inspected under the National Action Plan and maintaining all progress made in the Accord and the Alliance factories, Bernicat said reading out a written statement.

She suggested garment exporters draw on expertise and experience the Accord and the Alliance offer and accept transitional arrangements like a Safety Monitoring Organisation to keep the hard-earned progress on track until a Remediation Coordination Centre was ready to assume full responsibility.

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Marcia Bernicat, the outgoing US ambassador, shares a light moment during a farewell lunch meeting organised by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at its office in Dhaka yesterday.

BGMEA

Modern depository system for brokers

AHSAN HABIB

The Central Depository Bangladesh Limited (CDBL) is set to officially inaugurate a web-based system next week with the view to facilitating stock-brokers and investors.

With the software, general investors will instantly get transaction and balance reports authenticated by the CDBL, said Shuvra Kanti Choudhury, managing director of the CDBL.

In the old system, they had to give a requisition and wait a day for the reports.

The CDBL, which is a joint venture between banks, stock exchanges, Asian Development Bank and some other institutions, provides settlement and transfer of securities (share, mutual fund unit, etc) and a record of securities accounts and registers transfer of securities on the Dhaka and Chittagong stock exchanges. The software has been brought from the Tata Consultancy Services of India.

"Our task has shrunk due to the new software," said Mostaque Ahmed Sadeque, president of DSE Brokers' Association.

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DSE records lowest turnover in a month

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) yesterday recorded its lowest turnover in a month, indicating that investors are cautious about injecting fresh funds in the market.

Turnover, which means the monetary value of all shares traded, stood at Tk 488 crore, down by nearly 16 percent from that the previous day.

On August 26, turnover in the DSE was slightly over Tk 420 crore but it reached Tk 1,065 crore on September 13.

Though turnover eroded, Dhaka stocks rose 29.33 point, or 0.54 percent, to stand at 5,386.88 yesterday on the back of an upward movement of insurance shares, 36 out of 47 of which soared.

The insurance sector led in the list of gainers. For instance, Global Insurance topped the chart soaring 9.85 percent followed by Republic Insurance (9.75 percent), Nitol Insurance (8.47 percent),

National Life Insurance (7.12 percent), Paramount Insurance (6.06), United Insurance (6.04 percent) and Pioneer Insurance (5.98 percent).

IDLC Securities data shows life insurance companies soared 3.7 percent, the highest in the market, and non-life insurance increased 2.5 percent, the second highest, on an average.

Market insiders said stocks fell in the last three days at a stretch, so it was normal for it to bounce back yesterday.

Of the traded issues, 153 advanced, 140 declined and 41 closed unchanged on the premier bourse. Khulna Power dominated the turnover chart with 43.94 lakh shares worth Tk 52.21 crore traded, followed by Ifad Autos, Active Fine, Shasha Denims and National Life Insurance.

Shurwid Industries informed through the DSE website that an agreement was signed with NRB Bank.

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Invest more in Bangladesh

PM urges US businesses

UNB, New York

Prime Minister Sheikh Hasina on Monday urged the US businessmen to invest more in Bangladesh as the country's strategic location is making it an emerging hub for regional connectivity, foreign investment and global outsourcing.

"I invite you to come to Bangladesh with your businesses, technology, and innovations for mutual benefits. Please join us in our journey of shared profit and prosperity. I assure you of my government's full support and cooperation," she said.

The prime minister, now in New York to attend the 73rd session of the United Nations General Assembly, made the call while addressing a luncheon meeting with the US Chamber of Commerce (USCC).

The USCC arranged the meeting at hotel Grand Hyatt where the Bangladesh prime minister is staying.

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Nine firms get land at Bangabandhu Hi-Tech City

STAR BUSINESS REPORT

Nine local and foreign companies were allotted land at the Bangabandhu Hi-Tech City in Gazipur yesterday to manufacture hi-tech products.

The firms will collectively invest about \$150 million and create 25,000 jobs. Bangladesh Hi-Tech Park Authority (BHPTA) handed over the 21 acres of land to the firms for 40 years at a ceremony at the Bangabandhu International Conference Centre in Dhaka.

Telecom and ICT Minister Mustafa Jabbar gave away the allocation documents to the companies and asked them to start investing as early as possible.

Of the firms, Nazdaq Technologies Inc. Ltd, a local software developer mainly making banking software, has received two acres of land. It plans to invest \$61.7 million and create 3,600 jobs.

Six local banks now use software of Nazdaq Technologies, which has also exported banking software to the US, the UK and South Africa, said a director of the company.

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NBR offers better tax services to foreign investors

STAR BUSINESS REPORT

The tax administration has nominated focal point officials in its field offices to provide tax related information to foreign small and medium enterprises and prospective foreign investors regarding tax related provisions, incentives and business processes.

In each of 30 tax zones, the officials, most in the rank of joint commissioners, will provide the information, according to an order by the National Board of Revenue (NBR).

"We have nominated focal point officers to make the business process easier for foreign investors," said an official preferring anonymity as he was not authorised to talk to the media.

The NBR took the initiative based on recommendations from Business Climate Dialogue with the European Union which has been demanding it so that foreign investors could get tax related information without facing any hassle, said the official.

The NBR sent a copy of the order to the Head of Delegation of European Union (EU), Bangladesh.

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