ASIAN MARKETS

TOKYO

0.10%

0.39%

MUMBAI

\$84.74

আস্থাটাও বেশি এসআইবিএল সুপার সেভিংস একাউন্ট পঞ্চান্ন-উর্ধ্ব সিনিয়র সিটিজেনদের জন্য। ১৮-উর্ধ্ব মহিলারাও এই হিসাবটি খুলতে পারবেন 16491 # www.siblbd.com

DHAKA WEDNESDAY OCTOBER 3, 2018, ASHWIN 18, 1425 BS starbusiness@thedailystar.net

Economy resilient

WB, however, points to risks like rising inflation, ailing banking sector

STAR BUSINESS REPORT

STOCKS

CSCX

0.22%

DSEX

The economy is on track to logging in its fourth consecutive year of at least 7 percent growth, thanks to increased public spending on infrastructure along with robust private investments, exports and remittance inflows, said the World Bank yesterday.

COMMODITIES

Gold _

\$1,190.30

forecasts the GDP growth in fiscal 2018-19 would be 7 percent, down from 7.86 percent registered for fiscal 2017-18. "The country is among the 10 fastest growing

The Washington-based multilateral lender

economies in the world," said Qimiao Fan, WB's country director for Bangladesh, Bhutan and Nepal, at the unveiling of the report 'Bangladesh Development Update: Powering the Economy Efficiently'. Apart from a favourable exchange rate, the

rising shipment of higher valued-items, brighter image of Bangladesh's garment sector after remediation, automation of production and relative political calm combined with rebound in the economies of major export destinations from the shocks of Brexit and general elections should help prop up growth, it said.

A good number of new factories are expected to come into operation in the next couple of years, with entrepreneurs investing to capture the shifted work orders from China.





Hossain Zillur Rahman, left, former adviser to the caretaker government, speaks at a programme at WB office in Dhaka yesterday. Qimiao Fan, centre, WB country director, is also seen.

as Gulf Cooperation Council economies benefit from higher oil prices and incentives for remitting through informal channels remain weak.

Private investment is likely to maintain recent 8-9 percent growth induced by progress on infrastructure development prospects, strong domestic demand and stronger global markets.

"These, in addition to the country's reforming business environment, inform our forecast for Bangladesh to creep towards achieving a 7 percent growth rate in fiscal 2019-20."

> The economy has once again shown resilience to the lingering effects of repeated flooding in 2017 and the ongoing accommodation of over 7 lakh additional Rohingya refugees.

> However, there are some immediate risks for the economy.

Inflation is likely to accelerate with rising aggregate demand resulting in part from election-related increase in

private spending, an expansionary fiscal policy and depreciating exchange rate.

CURRENCIES

BUY TK 82.80

SHANGHAI

Fiscal slippages aggravated by drying up of assistance for supporting the Rohingyas, delays in banking reforms, loss of monetary policy predictability due to diminished central bank independence and weakening reform momentum in the run-up to the elections.

The performance of the banking sector and solvency of some financial intermediaries remain a concern because of limited action to address defaults, improve risk management and strengthen corporate governance.

"Persistent weaknesses owe largely to the legacy of loans of larger borrowers, who lack incentives to repay, given legal limitations on recoveries."

Zahid Hussain, lead economist of the World Bank's Dhaka office, said the central bank should allowed limited scale rescheduling of the nonperforming loans.

READ MORE ON B3

Bangladesh lags behind peers in internet usage

LIRNEasia survey finds

STAR BUSINESS REPORT

Bangladesh is still lagging behind its peers in Asia when it comes to internet usage and its awareness, found a recent survey.

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Only 33 percent of the population aged 15-65 in Bangladesh know what the internet is, according to the 'AfterAccess' survey conducted by LIRNEasia, an Asia Pacific-based think-tank, between April last year and June this year.

Only 13 percent of the population in Bangladesh use the internet, the lowest among the countries surveyed in Asia.

However, according to the Bangladesh Telecommunication Regulatory Commission, at the end of August there are 9.05 crore active internet connections in the country, meaning the internet penetration is more than 50 percent. The survey interviewed 2,000 house-

holds and individuals from 100 wards and villages in 40 districts on a range of topics related to the use of mobile phones, internet, social media and other platforms.

The urban-rural gap in internet use was large in most countries, with rural dwellers

lagging behind as much as 48 percent in India and 38 percent in Bangladesh.

The gender gap in internet use was markedly large in Bangladesh: 62 percent.

"Bangladesh has the worst gender gap not only in internet use but for mobile phone use as well as access of mobile phone," said Helani Galpaya, chief executive officer of LIRNEasia, while unveiling the report at an event held at the capital's Pan Pacific Sonargaon hotel.

The cost of data was cited as a primary limitation to greater use by 30 percent of the internet users in Bangladesh -- the highest amongst the surveyed Asian coun-Some 18 percent of the survey respon-

dents in India and Pakistan quoted the data cost as a deterrent to greater internet usage, 29 percent in Nepal and 5 percent in Cambodia.

Bangladesh though fared better when it came to mobile phone ownership; in fact, it had the highest percentage of mobile phone usage among the Asian countries surveyed.

READ MORE ON B3

INTERNET USERS (% of population aged 15-65) SOURCE: LIRNEASIA

One-third population financially excluded

Experts blame high cost of financial transaction

STAR BUSINESS REPORT

One-third of the population in Bangladesh is still financially excluded because of the high cost of financial transaction and poor regulations, experts

said yesterday.

Other major reasons for the exclusion include lack of banks' dedication to offer diversified services, existing collateral-based system for loan disbursement, low level of financial literacy, and information

asymmetry, they said.

came at the inaugural and Development, ing or other formal session of a work- said Bangladesh is channels. shop on rural finan- performing well in Another 32 percial inclusion, at terms of financial cent have access to

three-day event to tions.

banking leaders from have a full service cial system. nine countries in Asia account with banks Mohammed Arfan

percent of its people cial sector, he said. Bank Asia and the are still deprived of The former direc-World Savings and getting facilities from tor general of the

The observations Inclusive Finance services, agent bank-

Radisson hotel in inclusion. But 33 the informal finan-

Retails Banking formal banks, non- Bangladesh Institute Institute (WSBI) banks and of Development jointly organised the microfinance institu- Studies stressed the need for reducing focus on widening Referring to a the transaction cost the access to basic survey carried out by and strengthening financial services for US-based InterMedia the regulatory people living in rural in 2016, Mujeri said frameworks to bring 18 percent of the the unbanked peo-More than 50 people aged over 15 ple under the finan-

took part in the and 22 percent are Ali, managing direcunbanked but have a tor of Bank Asia, said Mustafa K Mujeri, multipurpose finan- financial inclusion is executive director of cial account with a frequently disthe Institute for mobile financial cussed topic in



SM Moniruzzaman, deputy governor of Bangladesh Bank, attends the inaugural session of a workshop titled "Rural Financial Inclusion" at the Radisson Blu hotel in Dhaka yesterday. Bank Asia and the World Savings and Retail Banking Institute jointly organised the three-day event.

Raise RMG basic pay by 70pc

Urge union leaders

STAR BUSINESS REPORT

Union leaders yesterday urged the government to revise a recently announced hike in garment workers' basic pay from 32 percent to 70 percent.

This will raise other fringe benefits proportionately to make the overall wage sufficient for leading a decent life, they said. A government-formed wage board last month announced a raise in the minimum monthly wage for 4.4 million garment workers to Tk 8,000 from the existing Tk 5,300 with effect from December.

The basic was raised to Tk 4,100 from Tk 3,100, which

was last fixed in 2013.

The leaders also pointed out that only the pay for the seventh grade was hiked, leaving out the remaining six.

Only five percent of workers belong to the seventh grade, meaning that a majority of them are serving as operators and senior operators in the other grades, said Amirul Haque Amin, president of National Garment Workers Federation.

"So the announced salary structure needs to be reviewed," he told a roundtable on "RMG workers' wage revision: reality and way forward" organised by the Bangladesh Institute of Labour Studies (BILS) at The Daily Star Centre in Dhaka.

READ MORE ON B3

Junk stocks still rising despite DSE caution

AHSAN HABIB

............... Prices of junk stocks are still rising despite Dhaka bourse's several attempts to discourage investors to pour money into the shares which may get delisted for their poor performance in the last five years.

Six out of the 15 junk shares posted a price rise of over 9 percent yesterday compared to the previous day.

Since August 7, the Dhaka Stock Exchange (DSE) has been informing investors every day that a review of the junk

stocks is underway.

Of the Z category shares, Jute Spinners' shares rose 9.93 percent to Tk 83 yesterday and became the third highest gainer of the day. It advanced 18.57 percent in the last four trading days. Meghna Condensed Milk climbed up 9.86 percent yesterday and 84.85 percent in the last one month.

Meghna Pet Industries increased 9.80 percent, Shyampur Sugar Mills 9.78 percent, Imam Button 9.54 percent and Savar Refractories 9.50 percent.

Solar firm secures \$1.66m from global investors

STAR BUSINESS REPORT

A local solar energy firm, SOLshare, has secured \$1.66 million from three global investors as it seeks to widen people's access to clean energy.

The three investors are: Singapore-based IIX Growth Fund, Silicon Valley-based innogy New Ventures LLC, and Portuguese utility firm EDP, SOLshare said in a statement.

The funds will be used to increase access to clean energy for more than 19,000 rural households and 14,000 microentrepreneurs, and address climate change by avoiding more than 2,200 tonnes of carbon emissions by 2021.

SOLshare is making affordable clean energy and offers the world's first peer-to-peer solar electricity trading platform for READ MORE ON B3 Off-grid households in Bangladesh. READ MORE ON B2 age migrant workers to send money via

Remittance jumps 31pc

STAR BUSINESS REPORT

............... Remittance posted a significant jump in September thanks to the depreciation of the taka against the dollar.

According to data from Bangladesh Bank, \$1.12 billion came in as remittance last month, up 31.57 percent yearon-year.

Bangladeshis living abroad now remit more money through formal channels as their near and dear ones now enjoy better rates against the dollar, an official of the businesses in the recent period. central bank said.

Many banks are offering higher rates against the remitted greenbacks to encour-

their channels, he said.

Taka, the local currency, lost 3.68 percent of its value against the US dollar in the last one year, according to data from the central bank.

On October 1, the interbank exchange rate was Tk 83.78 per US dollar, up from Tk

80.80 a year earlier. The upward trend of remittance inflow, however, will have little impact on the increasing current account deficit on the back of huge import payments made by

The current account deficit registered a record high of \$9.78 billion last fiscal year

for higher imports against exports. READ MORE ON B3



Shipping Corporation's new bulk carrier arrives The China National Machinery United Arab Emirates, and came to

STAFF CORRESPONDENT, Ctg

A bulk carrier, added to Bangladesh Shipping Corporation's (BSC) fleet after around 27 years, reached the Chittagong Port's outer anchorage yesterday. Banglar Joyjatra is one of the six new vessels, three bulk carriers and three oil tankers each with 39,000-deadweight tonnage capacity, being purchased from China by the BSC.

Import and Export Corporation had delivered the vessel in July, said Commodore Yahya Syed, managing director of the BSC.

vessel empty. That's why we rented it out to a local company for running it at \$10,000 per day," he added.

The bulk carrier transported some

goods, including around 37,000 tonnes of stone chips, Syed said. Of the Tk 1,843.58 crore being

"But we didn't want to bring the spent for the new vessels, Tk 1,448.32 crore is being provided by China as a concessional loan while the rest is coming from the BSC. Syed hopes for the remaining vessels to cargoes to the Port of Fujairah in the arrive by February next year.

