**ASIAN MARKETS** 

**TOKYO** 

**V** 0.80%

MUMBAI

**2.25%** 



DHAKA SUNDAY OCTOBER 7, 2018, ASHWIN 22, 1425 BS starbusiness@thedailystar.net

## Secondary bond market still elusive

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AKM ZAMIR UDDIN

**STOCKS** 

DSEX

CSCX

**1.32%** 

Bangladesh is far off from getting a muchneeded secondary bond market as 96 perment are owned by banks and insurers, which are tightly holding on to them to funds, corporate and investment bodies. meet their regulatory requirements.

bills and bonds worth Tk 162,768 crore, raising long-term capital. according to data from the Bangladesh Bank.

Banks have 77.12 percent or Tk 124,759 crore of them with a view to maintaining the statutory liquidity ratio determined by the bondholder according to specific terms. Bank Companies Act 1991.

companies possess treasury bills and bonds worth Tk 12,800 crore to fulfil their legal compliance. The central bank also owns

CERAMICS

10.81 percent of the securities.

As of Friday

\$84.16

This leaves only 4 percent of the total securities issued by the government for individuals, provident and gratuity funds of cent of the securities issued by the govern- the government and non-government agencies, foreign investors, arrangers of mutual

A bond is a debt instrument issued for a As of June, the government issued treasury specific period of time for the purpose of Governments, companies and other

organisations issue bonds to raise money; in doing so, they have an obligation to repay the

In most cases, a bond is redeemable at Similarly, life and general insurance face value on a particular date and has a fixed rate of interest that is paid at regular intervals through to maturity.

"The demand for bonds has recently shot up," said a BB official, adding

that there are no sellers in the secondary market. Some banks are holding

on to their excess bonds after fulfilling their regulatory requirements as there is now little scope to purchase fresh securities from the primary market, he added.

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### Bangladeshi RMG getting popular for trade war: survey

**CURRENCIES** 

**BUY TK** 82.85

SHANGHAI

SINGAPORE

**V** 0.67%

REFAYET ULLAH MIRDHA

Bangladesh is becoming a more popular apparel sourcing destination for Western retailers thanks to the ongoing US-China trade war, said a latest survey by the AsiaInspection (AI), a Hong Kong-based global inspection and accreditation body.

Geographical diversification of sourcing is underway, driven by the need for cost optimisation that predates the current tariff battles, said the latest AI report, which was released on Thursday.

Among the respondents of the AI mid-year survey, up to three-quarters of businesses said they were already looking for suppliers in new countries or had plans to do so in 2018 -- and some of China's longstanding competitors are emerging as their top choices.

In Southeast Asia, the popularity of Vietnam and Cambodia is confirmed by the double-digit growth in the third quarter of 2018. Meanwhile, a notable portion of companies working in the cost-sensitive textile sector have mentioned of plans to expand their sourcing to other Asian manufacturing hubs such as Bangladesh.

"So far, the manufacturing giant China displays resilience amid the trade escalation, and remains confident in its status as a top sourcing destination," said the report titled "Global Sourcing Trends: Embattled China vs. Regional Competition".

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#### ABSENCE OF DATA SECURITY LAW

## ICT sector fails to attract investment: minister

STAR BUSINESS REPORT

Bangladesh is failing to attract foreign investment, particularly from European countries, because of a lack of policies and regulations to ensure data security, ICT and Telecom Minister Mustafa Jabbar said yesterday.

......

"I am personally acknowledging that we have failed to formulate any policy on data security. That's why we have failed to bring in investment from developed countries."

The minister spoke at a roundtable on privacy and data security, organised by the Telecom Reporters' Network Bangladesh (TRNB) at La Vinci Hotel in Dhaka.

He said companies like Microsoft had

showed interests to invest in Bangladesh, but

they backed off when they found that there is no specific data security regulation in the country, where digital industry generates a huge volume of data every day. Jabbar said personal data is a huge

resource. Social media platforms such as Facebook and search engine Google are giving users free services in exchange of their personal data. Any kind of personal data is highly valu-

able and customers are sharing them without proper caring, he said.

The minister said government agencies

and the private sector are coming under attacks from different parts of the world. The situation is the worst for government organisations, he said.

Recently a government organisation in Bangladesh was barraged with 4,600 attacks in a single day, he added.

As the extent of digital service is flourishing every day, the government need to sit with banks, hospitals and other digital services providers to formulate a regulation on it, said Md Mustafa Kamal, director general for engineering and operations at Bangladesh Telecommunication Regulatory Commission (BTRC).

Recently the telecom regulator blocked the cash server of Facebook and Google to put a pressure on them to set up offices in Bangladesh, he added.

The country will not find any foreign investment in the ICT sector without framing any policy, said Farhaan Uddin Ahmed, a lecturer at Brac University's School of Law.

Currently, less than 30 percent mobile phone users are using smartphones and they are producing a huge amount of data, said Ruhul Alam Al-Mahbub Manik, president of Bangladesh Mobile Phone Importers Association.

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#### BB funds sought for safe rural transport

STAR BUSINESS REPORT

Bangladesh Bank should create a special fund to provide low-cost loans to rural people to help them buy modern vehicles to cut road accidents and for faster transport of vegetables, an agricultural economist said yesterday.

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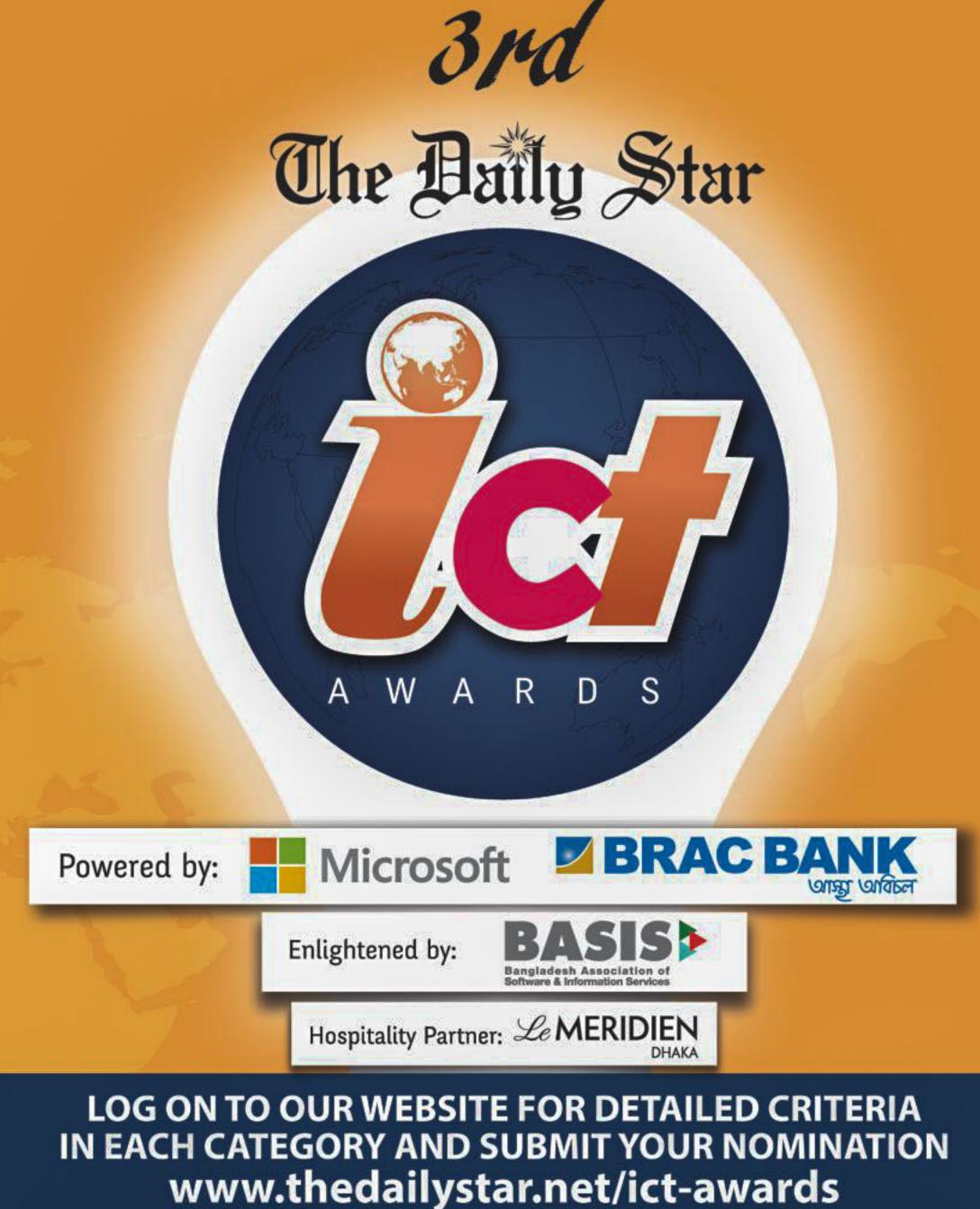




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