

IDLC Finance Olympiad launched

STAR BUSINESS DESK

IDLC Finance has recently launched an online Olympiad on basic finance understanding for students aged 14 to 24 year.

Students have to register to participate in the IDLC Finance Olympiad, the non-bank financial institution said in a statement yesterday.

After registration, participants have to watch five videos on finance on online educational platform 10 Minute School and correctly answer 10 questions per video.

A total of 24 of the highest scorers will qualify for the champion's title round. Winners will get laptops and mobile handsets.

"Being a financial institute in the country, we believe IDLC has a responsibility to impart knowledge and help enhance skills of the youth on financial literacy all across the nation to accelerate the socio-economic growth of Bangladesh," said Arif Khan, CEO of IDLC Finance.

IMF chief, Pakistan FM meet as Islamabad seeks bailout

AFP, Nusa Dua, Indonesia

IMF chief Christine Lagarde met with Pakistani officials Thursday and said a team would visit Islamabad for talks on a possible bailout of its shaky economy.

Pakistan Finance Minister Asad Umar, who is attending the Fund's annual meeting in Bali, announced earlier this week that the government would seek talks with the IMF on a "stabilisation recovery programme".

Lagarde earlier Thursday said the IMF had yet to receive anything formal from Islamabad but that she would meet with the Pakistani delegation in Bali.

"During the meeting, they requested financial assistance from the IMF to help address Pakistan's economic challenges," Lagarde said in a statement.

"An IMF team will visit Islamabad in the coming weeks to initiate discussions for a possible IMF-supported economic

programme."

Prime Minister Imran Khan on Wednesday vowed to steer the country out of a looming balance-of-payments crisis, saying it needs \$10-12 billion.

"We will get out of this. I will take (the country) out of this," he said.

Khan's new administration took office in August vowing to weigh up whether to seek an IMF bailout as it sought other avenues of financing.

He has sought loans from friendly countries, promised to recover funds stolen by corrupt officials, and embarked on a series of populist austerity measures.

But help has been in short supply and economists' warnings have grown increasingly urgent.

Pakistan has gone to the IMF several times since the late 1980s. The most recent was in 2013, when Islamabad got a \$6.6 billion loan to tackle a similar crisis.

FTA with Sri Lanka soon: Tofail

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A shorter lead time is very important in fast fashion as buyers always want quick shipment of goods, he added.

Rahman said a delegation from the BGMEA would hold a meeting with Sri Lankan government officials and garment traders in the island nation next month.

Ahmed also said four direct flights between Dhaka and Colombo could be

introduced by coming April to improve communication between the two countries.

Regent Airways, a local airline, has already been allowed to operate direct flights between Dhaka and Colombo, according to a statement from the commerce ministry.

Last fiscal year, Bangladesh exported goods worth \$30.02 million to Sri Lanka while importing goods worth \$47.80 million, commerce ministry data showed.



CITY BANK CAPITAL

Ershad Hossain, CEO of City Bank Capital, attends a seminar on "Investor Protection and Education" organised by the company at East West University in Dhaka recently marking World Investor Week 2018.

Ecne's flurry of project approval continues

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Ecne also gave its nod to another project involving Tk 4,065 crore for building surface water treatment plant for Rajshahi Wasa. Of the project cost, Chinese Exim Bank will finance Tk 2,313 crore.

Under the project, water from the Padma river will be treated for Rajshahi Wasa. The plant will be able to treat 20 crore litres of water a day, which will meet the full demand of Rajshahi city, according to the project document.

Ecne also approved a project for improvement of the electricity distribution system in Chattogram at a cost of Tk 2,551 crore.

Another project involving Tk 1,230 crore was approved for improvement of a road network and construction of bus terminals in different wards of Chattogram City Corporation.

Two more projects worth Tk 1,889 crore were approved for the development of rural infrastructure in Jashore, Khulna, Bagerhat and Satkhira districts.

In yesterday's Ecne meeting two more projects were also placed, including a project for developing the lake around the Gulshan neighbourhood. But the two projects were withdrawn. The cost of Gulshan Lake Development project was about Tk 5,000 crore.

For implementing the Gulshan Lake Development project, about 12,000 slum dwellers will have to be shifted, Kamal said.

"The prime minister gave a directive that the project cannot be implemented without rehabilitating the slum dwellers," he added.

Meanwhile, an Ecne meeting held on Tuesday approved 20 projects involving Tk 32,525 crore.

Omera to get \$20m from IFC

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According to the IFC, this will expand access of LPG to 350,000 additional households (around 12 percent of the total market potential) over the life of the loan.

It will also help reduce greenhouse gas emissions by substituting kerosene, wood and other hazardous cooking fuels, and allow the limited reserves of natural gas to be diverted to power generation and industries.

"IFC is committed to delivering clean energy to all people in Bangladesh," said Werner.

"Omera's expansion will enable businesses and families across the country to switch from biomass energy to clean LPG fuel for cooking and commercial activities. We laud the government's stance to promote privatisation of LPG sector to create a resilient energy sector."

AB Bank MD steps down

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AB Bank's default loans stood at Tk 1,525 crore as of June this year. Its net profit was Tk 2 crore in 2017.

The lender was found in the "red zone" in the Bangladesh Bank's Bank Health Index.

In October last year, a central bank inspection found that the bank had laundered about Tk 165 crore to the UAE through two shady organisations in the name of investment.

Tomato squeeze: US sanctions begin to distort Iran's economy

REUTERS, Dubai/London

Tomato paste is not the most obvious economic indicator, but in Iran, where it is a staple that some people have started panic-buying, it says a lot about the impact of renewed US sanctions.

While Iran makes its own paste from an abundant crop of locally grown tomatoes, sanctions reimposed by US President Donald Trump since August have played havoc with supply.

A 70 percent slide in the rial this year has prompted a scramble for foreign currency that has made exports much more valuable in local terms than selling produce at home.

Some shops are limiting purchases of tomato paste, which is used in many Persian dishes, and some lines have sold out as people buy up existing stock.

The government has responded by banning tomato exports, one of a raft of interventions to try to limit economic instability that has fueled public protests and criticism of the government this year.

But the tomato policy is not working. An industry representative said tomatoes were being smuggled abroad.

"We have heard that trucks full of

tomatoes are still leaving the country, especially to Iraq," Mohammad Mir-Razavi, head of the Syndicate of Canning Industry, said by telephone.

"They put boxes of greenhouse tomatoes on top and hide normal tomatoes at the bottom," he said, referring to an exemption for hot-house grown tomatoes that left a loophole.

It is one of many ways in which the sanctions are hurting ordinary Iranians while benefiting those with access to hard currency.

Washington reintroduced steps against Iran's currency trade, metals and auto sectors in August after the US withdrawal from a deal that lifted sanctions in return for limits on Iran's nuclear program. Trump said the deal was not strict enough.

With US curbs on Iran's oil exports set to come into force next month, some Iranians fear their country is entering an economic slump that may prove worse than the period from 2012 to 2015, when it last faced major sanctions.

"There is an emerging consensus that the economy will go through a period of austerity similar to that recorded during the Iran-Iraq war," said Mehrdad Emadi, an Iranian economist who heads energy risk analysis at London's Betamatrix consultancy.

Jumps in prices are occurring in a range of goods — particularly imports such as mobile telephones and other consumer electronics, but also some staples. A bottle of milk, 15,000 rials last year, now sells for 36,000.

An 800-gramme (28-ounce) can of tomato paste was selling in Tehran stores for around 60,000 rials in March; it is now 180,000 rials, or \$1.24 at the unofficial rate, prompting a scramble by households to stock up. The price of tomatoes has increased more than five-fold compared to last year.

Signs on the shelves of some stores limit each customer to two cans. Iranian online shopping site Digikala lists the top nine tomato paste items as out of stock, and the rest as "coming soon". In supermarkets in Najaf in neighboring Iraq, meanwhile, supplies of Iranian tomato paste are plentiful.

Adding to the pressure is a four-fold rise in the price of cans, Mir-Razavi said. Traders importing material to make cans sought to buy dollars at a little-used official rate of 42,000 rials; authorities asked them to use a more expensive rate. The issue has delayed shipments of material to factories.



EBL

M Khorshed Anowar, head of retail banking at Eastern Bank Ltd (EBL), and Md Shahadat Hossain, managing director of Fortis Group, sign the documents of a deal in Dhaka recently. The bank's cardholders and employees will get discounts at the group's Sarah Resort in Gazipur.

Tea prices rise on slow output

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A lower production compared to rising demand has pushed up the price of tea, said Shantanu Biswas, chairman of the Tea Traders Association of Bangladesh (TTAB).

"Prices can increase when production does not rise in line with demand," he said. The country produced nearly 79 million kg of tea in 2017, down from more than 85 million kg a year ago, Bangladesh Tea Board (BTB) data showed.

On the other hand, consumption surged to nearly 86 million kg in 2017, up from 81.64 million kg a year ago.

As of August this year, nearly 43 million kg of tea was produced, up by 0.8 million kg in the same period the previous year, the BTB data showed.

But the TTAB data showed that the country grew only 37 million kg of tea from January to August, down by 2.5 million kg in the same period a year ago.

Market insiders said big players are stockpiling tea fearing that there might not be expected production this year.

At Khatunganj, wholesalers have sold high quality loose tea at Tk 400 to Tk 410 a kg for the last three weeks, up from the previous rate of Tk 350 to Tk 360.

Inferior quality tea is being sold at Tk 320, which was Tk 270 previously. Retailers

say local companies have increased prices of different brands of packaged tea by Tk 100 a kg in two phases in the last two months.

These companies have recently fixed the maximum retail price for their best quality half a kg packaged tea at Tk 210 to Tk 220, an increase of Tk 20.

Mohiuddin Mohi, a retailer at Karnaphuli CDA Market, was selling half a kg packet of Ispahani Mirzapore brand tea at Tk 210 against the previous price of Tk 185, Ceylon Gold brand at Tk 210 from Tk 190 earlier and Taaza (400-gram packet) at Tk 180 from Tk 160 previously.

M Shah Alam, senior vice-chairman of Bangladesh Tea Association, said the quality of tea offered at the recent auctions is better thanks to the good rainfall and hence, costlier. Considering a 20-percent labour wage hike and rising electricity and gas prices, tea producers need better prices if they want to do business, he said.

Biswas said it is necessary to ease imports for bringing equilibrium in the market and for tea prices to drop to reasonable levels. Tea imports began to plummet after a hike in tariff last fiscal year.

Around 1.1 million kg of tea was imported in 2017-18 against 6.4 million kg in the previous fiscal year, according to Chattogram Customs House.

Saudi Arabia opens high-speed railway to public

AFP, Jeddah, Saudi Arabia

Saudi Arabia's new high-speed railway opened to the public on Thursday, whisking Muslim pilgrims and other travellers between Mecca and Medina, Islam's holiest cities.

The Haramain High Speed Rail system will transport passengers 450 kilometres (280 miles) via the Red Sea port of Jeddah at speeds of up to 300 kilometres per hour.

Two trains, each carrying 417 passengers, departed from Mecca and Medina at 8 am (0500 GMT), according to the state-run Saudi Press Agency.

Two daily services are initially planned in each direction, it said.

Saudi King Salman on October 25 inaugurated the high-speed railway, which local officials described as the biggest transportation project in the region.

The new link will slash the travel time Mecca and Medina from several hours to 120 minutes, transport officials said.

The rail project, dogged by several delays, was built at a cost of more than \$16 billion, according to Saudi media.

5th mobile assembly plant opens today

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Samsung, one of the top global players, also started assembling and marketing their products from a few months back. The Korean brand is currently assembling a couple of lakh smartphones of a few models from its Narsingdi plant every month. Chinese mobile phone manufacturer Transsion Holdings also started running its handset assembly plant in Gazipur last month.

They were yet to start supplying to the market for they were waiting for a VAT rebate issue to be resolved, said Rezwanaul Haque, its chief executive officer.

Transsion's plant has the capacity to assemble five lakh handsets every month and they were now making both feature phones and smartphones.

The five companies took licences from Bangladesh Telecommunication Regulatory Commission right after the government offered huge tax benefits for mobile assembling in the 2017-18 budget. A couple of interested companies have applied to the telecom regulator for licences and are preparing to set up plants.

Industry insiders say the five plants would jointly assemble 10 to 12 lakh mobile sets every month and production volume would increase by a large extent when all processes were complete. The entrepreneurs said they were now importing all the raw materials from China and would move in to manufacture some of the component here within the next one year. Last year about 3.4 crore mobile handsets were imported through legal channels, of which 82 lakh were smartphones, according to Bangladesh Mobile Phone Importers Association.

In the first half of 2018, the figures stood at 1.55 crore units and 37.89 lakh units respectively.

Industry sources say the country spends over Tk 10,000 crore every year for importing these devices. With assembling starting in full swing, the figures were expected to come down, saving a huge amount of foreign currency.



IDCOL

Mahmood Malik, CEO of Infrastructure Development Company Ltd (Idcol), and Md Mir Hossain, chairman of Egarosindur Cold Storage Ltd, exchange documents after signing a deal at the former's office in Dhaka on Wednesday. Idcol will finance a 322.5kWp rooftop solar project at the cold storage in Kishoreganj.