

Mashrur Arefin new MD of City Bank

STAR BUSINESS DESK

City Bank has appointed Mashrur Arefin as its new managing director and chief executive officer.

Prior to the appointment, he had been serving the private commercial bank as the additional managing director, said the lender in a statement yesterday on getting the central bank's approval.

He had also served as chief communications officer and chief operating officer on joining City Bank in 2007 as head of retail banking.

Arefin is a director of the bank's subsidiary remittance company in Malaysia and its merchant bank subsidiary as well. He held a number of senior roles in branch, retail, SME, cards, operations and digital banking in banks, including ANZ Grindlays, Standard Chartered Bank Qatar, American Express, Citibank NA, and Eastern Bank.

He started his career as a management trainee at ANZ Grindlays Bank in 1995 and worked in its Australia headquarters. Arefin had completed his MBA from Victoria University, Australia.

Speaking to The Daily Star yesterday, Arefin said: "I want to take City Bank to an altogether different level."

"We believe we cannot limit ourselves to doing banking with 1.5 million people only. City Bank will reach out to crores who deserve access to finance and access to modern banking facilities."

About his target, Arefin said: "My goal is to build a remarkable institution, not just a sustainably profitable good bank."

"This great institution, likewise, should be the employer of choice for all local talents," he added.



IMF lowers growth forecast for Saudi Arabia, region

AFP, Dubai

The International Monetary Fund on Monday lowered its 2019 economic growth forecast for Saudi Arabia and the region over low oil prices and crude output along with rising geopolitical tensions.

In its World Economic Outlook update for January, the global lender lowered its projection for Saudi Arabia's gross domestic product growth this year to 1.8 percent, down from 2.4 percent in its October report.

However it raised its forecast for next year by 0.2 percentage points, to 2.1 percent.

Riyadh has projected 2.6 percent GDP growth for 2019.

The world's top crude exporter, the kingdom has been hit hard by tumbling oil prices and saw its economy shrink by 0.9 percent in 2017.

It has since rebounded, with healthy 2.3 percent expansion in 2018, mainly thanks to higher oil prices and output.

The IMF also lowered its 2019 growth forecast for the region including the Middle East, North Africa, Afghanistan and Pakistan by 0.3 percentage points to 2.4 percent.

The report only provides a detailed country forecast for Saudi Arabia.

Weak oil output growth, tightening financing conditions in Pakistan, US sanctions on Iran and regional

geopolitical tensions were at the root of the forecast, the IMF said. Major Gulf oil exporters, including Saudi Arabia, have posted budget deficits since the crash of the global oil market in 2014.

Riyadh has posted an accumulated budget shortfall of \$313 billion over the past five years and projects a \$32 billion deficit for 2019.

Neighbouring Kuwait approved its national budget on Monday, projecting a significant deficit for a fifth year in a row due to low oil prices.

Kuwaiti Finance Minister Nayef al-Hajraf told reporters the 2019-2020 budget projected a shortfall of \$20.1 billion, or 13 percent of gross domestic product.

Brent crude had hit \$85 a barrel in early October, but prices plunged more than 40 percent over the following two months on oversupply and fears a trade war between the United States and China could slash demand.

They partially rebounded to just above \$60 a barrel since a new deal came into effect, under which OPEC and non-OPEC oil producers agreed to trim output by 1.2 million bpd.

Oil prices have remained volatile in recent months, hitting \$55 a barrel in early January.

The IMF said that "markets expected prices to remain broadly at that level over the next 4-5 years".

Big Korean firms to invest in Bangladesh: Kamal

STAR BUSINESS REPORT

The Korea International Cooperation Agency's (Koica) president has assured Finance Minister AHM Mustafa Kamal that large Korean companies including Samsung, Hyundai, Daewoo, LG will invest in Bangladesh.

The assurance came at a meeting yesterday between Koica President Lee Mi-kyung and Kamal at his office on the planning ministry premises.

The Koica president will present the

attractive investment environment in Bangladesh to investors in his country upon his return, the finance minister told reporters after the meeting.

Mi-kyung though expressed his unhappiness about the traffic jam in Dhaka city, according to Kamal.

However, it would be manageable as Korea faced such congestions in the past, he said, adding that the Korean government has assured assistance to Bangladesh in tackling the traffic jam.

Novoair gets safety rating from int'l agency

STAR BUSINESS DESK

Novoair received three stars from Airline Ratings for its safety standards, a first for a local private airline.

The safety rating of the agency, which ranges from one to seven stars, is based on a comprehensive analysis utilising information from aviation's governing body, lead associations as well as the airlines' own safety data.

Flag carrier Biman Bangladesh Airlines received five stars from the agency for its safety standards.

Novoair is also the only private sector airline to have the endorsement of safety agencies from either side of the Atlantic: Europe's EASA and the US' Federal Aviation Authority. The airline operates daily flights from Dhaka to Chattogram, Cox's Bazar, Jashore, Sylhet, Saidpur, Barishal, Rajshahi and Kolkata with six ATR 72-500 aircraft.

Tk 1,893cr projects await nod

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A total of 28 projects involving Tk 30,234 crore were approved.

Two days earlier, the government had approved 39 development projects involving Tk 86,687 crore, the second biggest allocation for development projects in a single Ecne meeting under the previous government.

Between July and September last year, 75 projects, involving Tk 56,819 crore, got the nod.

At least 82 projects, involving Tk 88,782 crore, have been approved in October.

Two Ecne meetings in the first week of November had approved 67 projects involving Tk 116,921 crore.

Plastic goods makers display strength

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New and major market players in the sector are taking part in the ongoing Dhaka International Trade Fair to expand their footprint.

Jashim, also the vice-chairman of the Bengal Group of Industries, said marketing and advertising were the main targets of the participants, not sales.

RFL Plastics, the market leader, is displaying more than 2,000 products in 500 categories, including that focusing baby care, kitchen products, baskets, bins, bowls, toys, containers, water bottles, racks, lunch boxes and furniture.

The company is exhibiting new products in 20 categories, said Kamruzzaman Kamal, director for marketing at PRAN-RFL Group.

It is offering discounts of 5 to 30 percent and making buy-one-get-one-

free offers on specific products. Besides, the RFL is holding a raffle draw every week at its pavilion at the fair.

According to Kamal, customers will get a coupon for making purchases of over Tk 500. There will be a lucky draw of all coupons given out with a couple's Dhaka-Bangkok-Dhaka air tickets as the first prize alongside two Dhaka-Kolkata-Dhaka air tickets as the second prize. Besides, every week seven people will get the opportunity to have dinners with celebrities.

Ali Ahmed Shams, pavilion in-charge of Esquire Plastics Ltd, says they were trying to capture a fair share of the local market by ensuring quality.

The company is displaying more than 200 products, most of which are unique, he said, adding that all products carried a 10 percent discount.

Md Arifur Hoque, pavilion in-charge of ACI Premio Plastics, said the company has brought 235 items to the fair for display.

"We are taking part in the fair for the first time. We have already received good response from visitors," he said, adding that the company has got bulk orders from the corporate sector.

Tanin Bestware, a plastic furniture maker, is showcasing more than 350 items, including intensive care unit beds for hospitals and home appliances.

"We are selling quality products at competitive prices," said Md Mostafa Kamal, in-charge of the company's pavilion at the fair. Talking about the environmental impact of plastic products, Jashim pointed out that though taking a very long time to biodegrade, those were all recyclable.



Dewan Muhammad Humayun Kabir, deputy commissioner of Gazipur; Tarek Reaz Khan, deputy managing director of Mutual Trust Bank (MTB), and Mohammad Abul Hashem, a deputy general manager of Bangladesh Bank, attend School Banking Conference 2019 organised by MTB as lead bank in the district recently.

IMEI database opens today

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Customers intending to purchase a device can get the 15-digit IMEI by dialing *#06# from the handset. The legality can then be checked by sending an SMS with the IMEI to 16002.

The IMEI numbers of handsets imported in 2018 have already been provided to the BTRC by mobile importers.

That of new imports will be gradually added, said BTRC officials, adding that the database would also be used to automate the import process as all relevant procedures would be carried out digitally.

"For the first time the government is getting a database which will also help ensure that tax is earned from this sector and gradually illegal imports will decline," said Mohammad Mesbah Uddin, joint secretary of the BMPIA.

The database will enable the government to know the types of handsets being used in the country and how many are 4G and 3G-enabled and basic phones, said Mesbah, also the chief marketing officer of Fair Group, which assembles Samsung devices.

Industry insiders said the database would also give the government the capacity to switch off handsets.

The government also plans to set up a National Equipment Identity Register, which will save individual IMEI numbers with their associated SIM and national identity card numbers.

About 3.35 crore handsets were legally imported in 2018 while one crore entered through different sources, including illegal imports.

Mobile phone assembly picks up momentum

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So far, it has sold 3.5 lakh units of locally assembled phones, half of which are smartphones, said Jakaria Shahid, managing director of Edison Group, the parent company of local handset brand Symphony.

Its plant can now assemble two lakh units per month, according to Shahid, also the general secretary of the BMPIA. Chinese mobile phone manufacturer Transsion Holdings has also set up a plant in Gazipur in the second quarter of last year.

So far, it sold three lakh units of itel-branded handsets, of which one lakh are smartphones.

"We have a very big dream for our plant," said Rezwanul Haque, chief executive officer of Transsion Bangladesh.

The first target is to cater to the local market, after which export opportunities will be explored, said Haque.

Transsion has another brand Techno, which will also start assembling at the plant soon, he added.

Al Amin Brothers, a local company that has been importing handsets for over two decades, set up its plant in Gazipur near the National University investing about Tk 30 crore.

It started assembling "5 Star Mobile" brand two months ago and from December started rolling out the handsets in the market.

In the first month it has distributed 35,000 units of four different models, all of which are feature phones.

"We are getting huge response from the market," said Md Oliullah, the company's managing director, adding that smartphones too will be assembled in the plant.

European power firms aim to harness electric car batteries

REUTERS, Frankfurt/London/Paris

Ever wanted to run your electric car for free? If you're open to a bit of give and take, then stay plugged in and your wishes might come true. At least that's what some European power companies and Japanese carmakers believe.

E.ON and EDF are already working with Nissan to develop services that allow power stored in electric vehicle batteries to be sold back to the grid - and now they're trying to persuade European carmakers to follow suit.

With millions of electric cars expected on European roads over the next decade, utility firms see both an opportunity to sell drivers more electricity and a risk that surges in charging at peak times could destabilize stressed power grids.

That's why E.ON is working with Nissan to develop so-called vehicle-to-grid (V2G) services, including software for aggregating and marketing charging data so the German power company can predict peaks and troughs in electricity demand.

Nissan's idea is that if you charge your electric vehicle (EV) at off-peak times and are prepared to sell power back to the grid when it's under strain, you could effectively charge for free.

French utility EDF has teamed up

with San Diego-based V2G technology specialist Nuvve nuvve.com to build the first commercial-scale V2G charging network in Europe for vehicles made by Japan's Nissan and Mitsubishi.

Europe's biggest utility by market value, Italy's Enel, has also worked with Nissan and Nuvve on V2G pilots in Denmark and the Netherlands, as well as in Rome and Genoa.

The problem for the utilities is that unlike Nissan, the French and German firms that will make most of the electric cars expected on Europe's road in coming years are not playing ball - at least for now.

E.ON and EDF are talking to European carmakers about taking V2G seriously, according to two industry sources, but they are more focused on EV charging technology that the sources say is less suited to two-way flows than Japanese standards.

IONITY ionity.eu, a joint venture of Volkswagen, Daimler, BMW and Ford, said it did not see an initial case for V2G in its drive to install high-speed charging stations across Europe to facilitate long-distance journeys.

"Our clients want to charge fast and not feed back in," a spokesman for IONITY said. "Only in combination with an external storage system

would a use case possibly be interesting."

The other big V2G holdout is EV pioneer Tesla, which also sells large stationary batteries for home power storage. Tesla declined to comment on V2G.

The idea of using millions of EV batteries as large virtual power plants to put power back into the grid has been around for years though the concept is still mostly at the pilot phase, mainly because there are very few EVs on the roads now.

But its appeal to the power industry is obvious.

With a typical car driving less than 10 percent of the day, the rest of the time car batteries could be used to balance out demand and supply swings in energy networks that increasingly need to juggle intermittent solar and wind power.

That's the case in Germany in particular as it is phasing out baseload nuclear and coal-fired plants, unlike France and Japan which are sticking with nuclear to ensure a secure supply.

Jonathan Tudor, director of technology strategy at the innovation division of Britain's biggest utility, Centrica, said V2G will be part of the mix of technologies stabilizing networks - once more EVs hit the



Quazi Osman Ali, CEO of Social Islami Bank Limited (SIBL), and Kazi Towhidul Alam, secretary general of the SWIFT Member and User Group of Bangladesh (SMUGB), attend a 5th technical committee meeting of the SMUGB at the bank's corporate office in Dhaka on Sunday.

China's coal output hits highest in over three years

REUTERS, Beijing

China's December coal output climbed 2.1 percent from the year before, government data showed, hitting the highest level in over three years as major miners ramped up production amid robust winter demand and after the country started up new mines.

Miners produced 320.38 million tonnes of coal in December, according to data released on Monday by the National Bureau of Statistics. That is the largest volume since June, 2015.

China approved more than 45 billion yuan's (\$6.64 billion) worth of new coal mining projects last year, much more than 2017, official documents show.

That came after the country closed old and more polluting coal mines as part of its battle to clean up the environment.

Finance stocks thrive on low prices

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Mazumder said banking stocks have remained at a low level, drawing investors. The price-earnings (PE) ratio of the sector is very low, so people are looking at them as safe investment option, he said.

The PE is the ratio for valuing a company that measures its current share price relative to its per-share earnings.

A low PE can indicate either that a company may currently be undervalued or that the company is doing exceptionally well relative to its past trends.

On January 3, the PE ratio of the banking sector was 9.48 whereas the market PE ratio was 15.68. On the same day, the PE ratio of the financial institutions and the insurance sectors was 14.78 and 12.42 respectively, according to DSE data.

Investors could have invested much more in finance stocks if the financial sector has not been grappling with huge bad loans, said the managing director of a leading brokerage house, preferring anonymity.

He said the banking sector's PE is at its lowest level only because of the higher bad loans and scams.

According to the central bank data, the amount of default loans rose 11.23 percent to Tk 99,370 crore at the end of the third quarter in 2018, compared to the previous quarter. The amount is up 24 percent from a year earlier.

The toxic loans now account for 11.45 percent of the banking sector's total loans, up from 10.41 percent in June.

However, the managing director said the financial sector is expected to rise as its PE ratio is at a low level. "On the other hand, the sector is going to declare dividend very soon."

The banks made hefty operating profits last year.

SC defers Accord hearing to Feb 18

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The Accord's five-year term expired on November 30 and the matter of its extension went to the High Court which ordered that it end. Matters were then taken on to the Supreme Court, which deferred the hearing on December 6 and 10.

The Accord conducts inspection and remediation activities for more than 200 global clothing retailers and brands.