

SIBL NOW
Quicker
Easier & Safer

Transfer Fund, Pay Utility Bill,
Top Up Mobile Balance
& many more

SIBL
Social Islami Bank Limited

Star BUSINESS

DHAKA WEDNESDAY FEBRUARY 6, 2019, MAGH 24, 1425 BS • starbusiness@thedailystar.net

Foreign aid budget to be slashed

Commitments outstrip capacity

REJAUL KARIM BYRON

The government is likely to revise down the foreign aid allocation by 15 percent in fiscal 2018-19 -- at a time when there is a record high level of the low-cost fund sitting idle in the pipeline.

The revision comes as the government finds itself unable to keep pace with the rate at which development partner countries are pouring in funds to Bangladesh, encouraged by the country's solid economic growth over the past decade.

Foreign aid allocation would now be Tk 51,000 crore (\$6.09 billion), down from Tk 60,000 crore (\$7.17

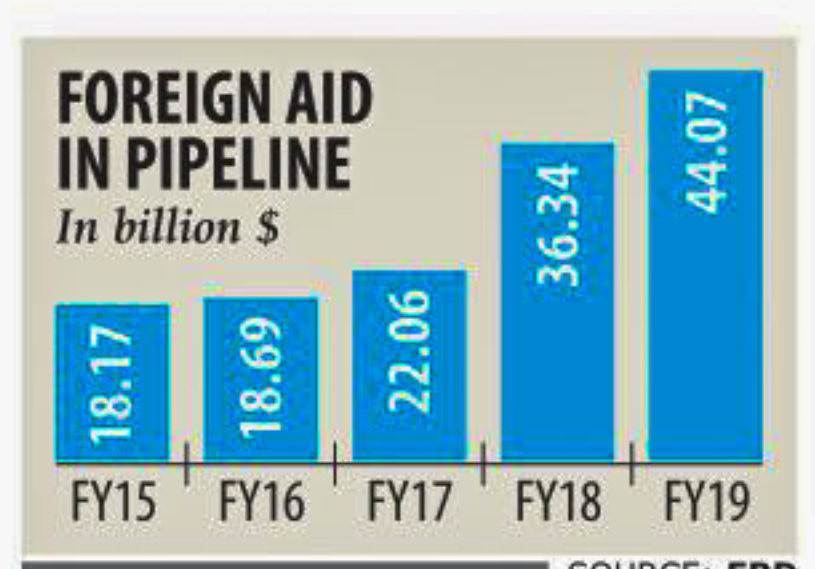
billion) earmarked at the beginning of the fiscal year.

The adjustment came after the Economic Relations Division (ERD) sat down with the ministries and divisions to make out how much foreign aid they would be able to spend in the end.

Of the Tk 9,000 crore shaved off from this fiscal year's foreign aid allocation, Tk 5,000 crore would come from the transport sector as it finds its various mega projects falling behind schedule due to problems in land acquisition.

One such project is the Padma Bridge Rail Link, which has failed to utilise a single paisa from its foreign aid portion in the first five months of fiscal 2018-19.

The project was initially allotted Tk 3,000 crore in foreign aid, but it would



now be cut down to Tk 1,300 crore.

"There is a good chance that no foreign fund would be used for the project this fiscal year," said an official of the railways ministry requesting anonymity.

The ministry might also not be able to spend the full foreign aid allocation for the Dohazari to Gundum Railway project and the Karnaphuli River Tunnel project due to land acquisition problems.

Last fiscal year, the ministries and divisions spent a record \$6.1 billion, which was double the amount they managed each year between fiscals 2012-13 and 2016-17.

READ MORE ON B3

dbi CERAMICS

dbiceramics.com | fb:dbiceramics | 01713656565

Minister seeks fair prices for apparel

STAR BUSINESS REPORT

Bangladesh demanded fair prices for garment items from the US retailers and brands as the local apparel exporters spent billions of dollars to strengthen workplace safety that increased the cost of production.

Commerce Minister Tipu Munshi made the call during a meeting with US Ambassador in Bangladesh Earl R Miller at the minister's secretariat office in Dhaka yesterday.

"The cost of production has increased by 25 percent to 30 percent over the last five years due to remediation of the garment factories as per the recommendations of the Accord and Alliance, two foreign agencies for building inspection."

Munshi shared the info in a press conference after the meeting with Miller.

The minister sought cooperation from the US envoy to convey the message of the price hike plea to the American retailers and brands, as any particular government cannot fix the prices of garment items.

The minister said, for instance, the t-shirt which was supposed to be produced at a cost of \$1 earlier now costs as high as \$1.25 or \$1.30 a piece.

"So, we can demand around 25 percent to 30 percent rise in the price of garment items now."

READ MORE ON B3

BB moves to amend bankruptcy act

AKM ZAMIR UDDIN

The central bank will hold a meeting today to amend the Bankruptcy Act, 1997 with the view to handing out exemplary punishment to habitual defaulters.

The meeting, which will explore all legal options, will involve the managing directors of banks, Law Commission Chairman ABM Khairul Haque and Bangladesh International Arbitration Centre CEO Muhammad A (Rume) Ali.

The move comes at a time when default loans have reached a record high: as of September last year, the ratio of non-performing loans stood at 11.45 percent of the total outstanding loans. In terms of amount, it is Tk 99,370 crore, according to data from the Bangladesh Bank.

Unscrupulous borrowers usually keep disputed assets as collateral to take loans,

which later create a tough situation for the lenders when they try to recover money, said Imran Ahmed Bhuiyan, a deputy attorney general.

When lenders turn to the Artha Rin Adalat (Money Loan Court) they usually get the go-ahead to auction off the properties put up as collateral. But when news spreads that the properties are disputed the auction leads to no takers, sending banks back to square one.

After climbing several legal steps lenders can then consult the Bankruptcy Act, which empowers the government to sell off the assets of the defaulters to pay back the lenders.

But the problem with the existing Bankruptcy Act is that there is no specific timeframe by which creditors will get their funds back even after the court declares the defaulters as bankrupt.

READ MORE ON B3

DITF 2019

New consumer electronics a big draw

STAR BUSINESS REPORT

Multinational and local electronics companies have launched new products marking the ongoing Dhaka International Trade Fair (DITF) 2019, which are one of the attractions for the youth and affluent class.

Almost all the electronics manufacturers launched one or more exclusive products during the month-long trade show in the country, which kicked off on January 9 and is scheduled to end on February 9.

The fair was likely to be extended by one day as per the demand of the participants, Bijoy Bhattacharjee, vice chairman of the Export Promotion Bureau, told TheDailyStar.

The country's local electronics giant Walton launched its flagship smartphone,

Primo X5.

It was the first "made in Bangladesh" device with 6 gigabytes of RAM, available at all Walton showrooms and on the Grameenphone online shop, said Shafiqul Alam, in charge of the Walton pavilion at the fair.

The device is priced at Tk 24,999, he said.

The price was "reasonable" for the smartphone having a metal frame and a 6-inch display, Alam said.

Leading global electronics manufacturer Samsung has launched air purifiers and a new range of upright freezers in Bangladesh. The unveiling of these new products took place at DITF 2019 recently.

READ MORE ON B3

Overseas investors back to stock markets

STAR BUSINESS REPORT

Net foreign investment in the Dhaka Stock Exchange bounced back in January as investors shook off the election jitters.

Last month, foreign investors bought shares worth Tk 495.19 crore and sold shares worth Tk 319.90 crore, taking their net investment to Tk 175.29 crore.

In December, it stood at Tk 101.53 crore in the negative, as fears of political uncertainty centring the national polls on December 30 reigned supreme.

"Foreign investors have started gaining confidence after the 11th parliamentary elections," said Khairul Bashar Abu Taher Mohammed, secre-



tary general of the Bangladesh Merchant Bankers Association.

They would have moved their investment to other countries if the political environment had worsened in Bangladesh.

"But they pounced right after the polls to exploit the low prices of good stocks," said Bashar, also the chief executive officer of MTB Capital.

He went on to forecast a rise in investment in the coming days thanks to the political calm.

Yesterday, the DSEX -- the benchmark index of the bourse -- declined 27.82 points, or 0.47 percent, finishing the day at 5,800.24.

The turnover fell 20.51 percent from the previous day to Tk 706.66 crore, with 17.19 crore shares and mutual fund units changing hands on the DSE floor.

Of the traded issues, 104 advanced, 214 declined and 29 closed unchanged.

READ MORE ON B3

MTB RETAIL BANKING
pleasure in life

ADD COLOR TO YOUR DREAM

Special Rate for REHAB Fair

9.99%

with a processing fee of 0.50%

Visit Stall # 161 & 163

Planning to buy an apartment or renovate or build your own home? MTB Home Loan offers a wide range of customized product propositions that can fulfill your dreams and requirements.

Apartment Purchase | Home Construction | Home Extension | Home Renovation

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

CALL 16219

Tweet2MTB | www.mutualtrustbank.com | Mutual.Trust.Bank

FBCCI's election on April 27

STAR BUSINESS REPORT

The biennial election of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will be held on April 27 to find out the new office bearers of the apex trade body.

The FBCCI published the election schedule yesterday and the election board and the election appeal board have also been formed, according to a press release.

The last date for paying the annual subscription is February 27.

The preliminary voter list will be published on March 6 and the final voter list is scheduled to be published on March 18.

The last date for sending nominations for the post of directors has been fixed at March 25.

Md Ali Ashraf, a lawmaker, is the chairman of the FBCCI election board and Jahangir Alamin, a former director of the FBCCI, has been named as the chairman of the appeal board, according to the statement.

IAA
INTERNATIONAL ADVERTISING ASSOCIATION

THE GURUS OF DIGITAL AND BRANDING WILL CONVERGE IN KOCHI FROM FEBRUARY 20 TO 22, 2019

BRAND DHARMA
TECH FOR GOOD

WHERE WILL YOU BE?

Program & speakers are subject to change

IAA WORLD CONGRESS
FEB 20-22, 2019 | KOCHI, INDIA

To register visit: bbf.digital/iaabangladeshchapter
For further information: +8801743 836 608
Email: iaa.bangladeshchapter@gmail.com

Platinum Partner: The Global Compass of Marketing Communications, IAAGlobal.org
Gold Partner: Mathrubumi, Google, Viacom 18
Silver Partner: Jio Digital Life
Media Partner: The Daily Star