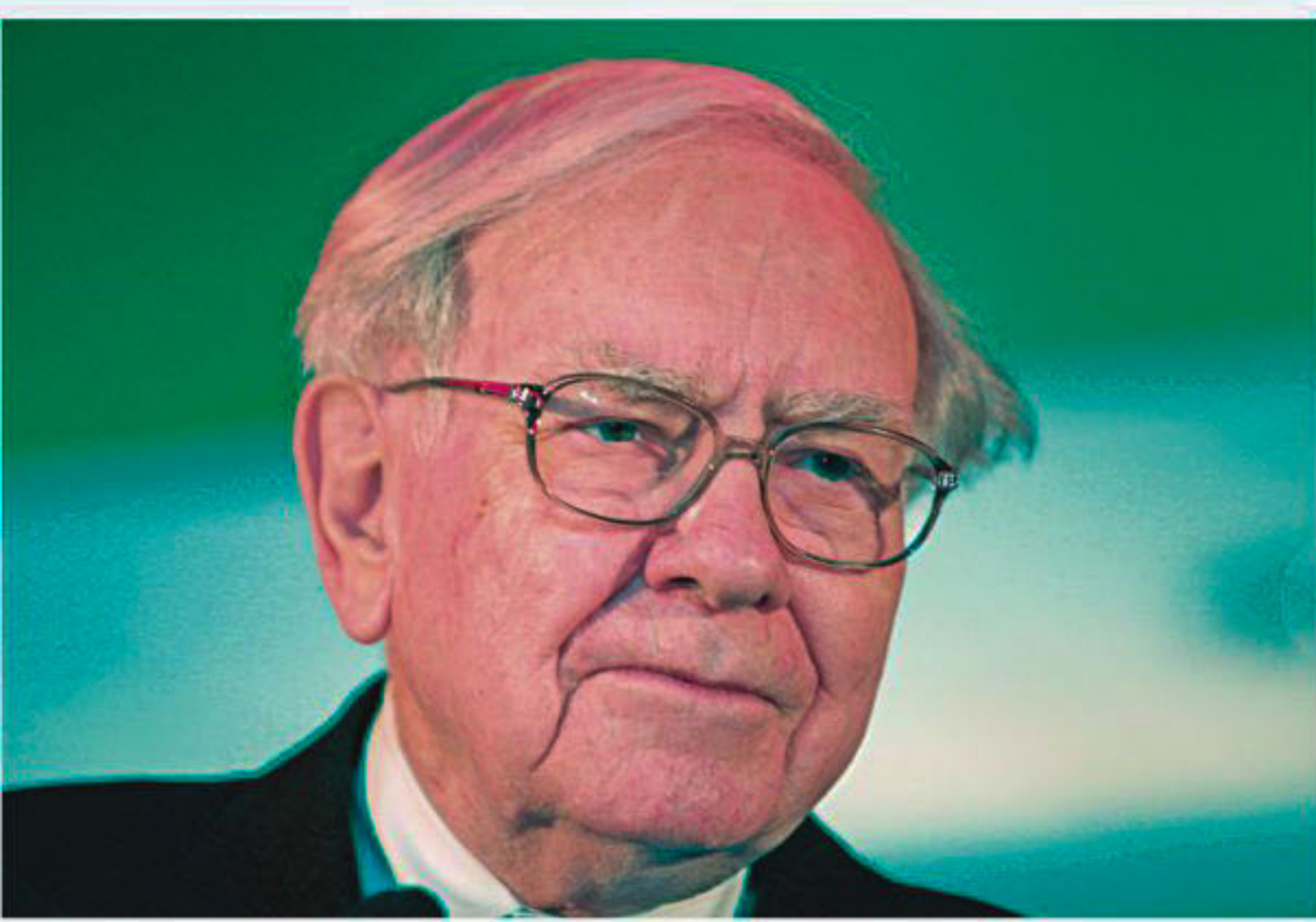


Buffett dreams of 'elephant-sized' acquisition



Warren Buffett

AFP, Washington

Billionaire investor Warren Buffett has yet to name a successor and at age 88 still dreams of making an "elephant-sized" acquisition, he said in his annual letter to shareholders.

The letter to shareholders of Buffett's holding company, Berkshire Hathaway, is considered a must-read on Wall Street, distilling the views of the "Oracle of Omaha" on the state of the economy and the wisdom of investing in this or that investment product.

In the latest edition, Buffett says it is the prospect of an "elephant-sized

acquisition" that causes his heart, and that of his longtime partner, 95-year-old Charlie Munger, "to beat faster."

"In the years ahead, we hope to move much of our excess liquidity into businesses that Berkshire will permanently own," he said.

"The immediate prospects for that, however, are not good: Prices are sky-high for businesses possessing decent long-term prospects," he added.

At the moment, Berkshire Hathaway has more than \$100 billion in liquid assets that would be rapidly available if an opportunity should present itself.

The investor remained silent on

who might succeed him as Berkshire's CEO but he was unstinting in his praise of his two lieutenants, who since 2018 have taken the reins of essential day-to-day operations: Ajit Jain and Greg Abel.

The decision to give them a more central role was "overdue," he said. One of the two men is expected to succeed Buffett. "Berkshire is now far better managed than when I alone was supervising operations," he said.

In terms of results, the year did not end well for Buffett. His bet on Kraft Heinz, maker of the famous ketchup and instant macaroni and cheese, erased nearly \$3 billion from Berkshire's bottom line, which nonetheless posted \$4 billion in earnings.

Kraft Heinz -- in which Berkshire has a 25 percent stake -- announced a roughly \$15 billion write-down of its assets stemming from its failure to adapt to changing consumer tastes.

Buffett also once again criticized an accounting rule that requires including unrealized gains or losses in the calculations of net quarterly results.

With a stock portfolio valued at \$173 billion at the end of 2018, "wide swings in our quarterly GAAP earnings will inevitably continue." GAAP stands for Generally Accepted Accounting Principles.

"Indeed, in the fourth quarter, a period of high volatility in stock prices, we experienced several days with a 'profit' or 'loss' of more than \$4 billion," he wrote.

ICC chair arrives in Dhaka



STAR BUSINESS DESK

The International Chamber of Commerce (ICC) Chairman Paul Polman arrived in Dhaka yesterday on a two-day visit.

He was elected chairman of ICC on June 21 last year, ICC Bangladesh said in a statement. During his stay, he will be meeting ICC Bangladesh members.

Before joining the ICC, Polman had been serving Unilever as chief executive officer since January 2009.

He has played a significant role first in developing the UN Sustainable Development Goals (SDGs), and now in promoting action towards their delivery as a member of the SDG Advocacy Group.

Polman is a member of the International Business Council of World Economic Forum and sits on the Board of the UN Global Compact as vice chair.

He has also been chair of World Business Council for Sustainable Development.



KFC BANGLADESH

Amit Dev Thapa, chief operating officer of Transcom Foods Limited, the sole franchisee of KFC and Pizza Hut in Bangladesh, received "Running Great Restaurants Award" on behalf of KFC Bangladesh from Yum! Restaurants International at KFC Asia Pacific Brand Conference in Singapore recently.

BB to widen reach of digital wallets

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The EMS providers will have to maintain their total e-money balance in a trust-settlement account of a bank.

The balance in the trust account will not be lower than the value of outstanding e-money at the end of the day.

At least 20 percent of the balance of the trust account must be invested in government securities.

Digital wallets with no financial transaction for a year will be made inactive after sending a notice to the user.

The EMS providers will have to preserve the KYC (know your client) records of the digital wallet users and merchants and those of e-money transactions for at least six years from the date of the origination.

The charges and fees for transactions must be articulated lucidly on the respective EMS provider's website so that there is no confusion or unawareness.

The EMS providers will have to maintain a call centre round-the-clock to receive customer complaints and resolve them within seven working days.

DSE turnover hits 1.5-month low

FROM PAGE B1

Bangladesh Submarine Cables dominated the turnover chart with its transactions of 28.57 lakh shares worth Tk 48.90 crore, followed by Khulna Power, Monno Ceramics, Fortune Shoes and United Power Generation.

Karnaphuli Insurance was the day's best performer with its 9.56 percent gain, while Savar Refractories was the worst loser, shedding 9.99 percent.

Among the major sectors, telecommunication rose 0.1 percent, while banks fell 1.2 percent.

Chittagong stocks also plummeted, with the bourse's benchmark index, the CSCX, losing 41.40 points, or 0.38 percent, to finish the day at 10,601.11.

Loser beat gainers as 169 declined and 62 advanced, while 25 finished unchanged on Chittagong Stock Exchange.

The port city bourse traded 51.04 lakh shares and mutual fund units worth Tk 15.67 crore.



DHAKA BANK

Reshadur Rahman, chairman of Dhaka Bank, attends the bank's annual managers' conference (north region) for 2019 at Hotel Naz Garden in Bogura on Saturday. Syed Mahbubur Rahman, CEO, was present.

Rising NPLs threat to stability: Dhaka chamber

FROM PAGE B1

He said the recent Monetary Policy Statement (MPS) of the central bank looks cautionary.

However, its salient features may enrich the private sector credit flow and boost industrialisation and job creation, resulting in expected GDP growth in the current fiscal year, he said.

The features include unchanged advance-deposit and cash reserve ratios, 6 percent repurchase agreement (repo), 4.75 percent reverse repo, 16.50 percent private sector credit growth, 10.9 percent public sector credit growth, and 15.90 percent domestic credit growth targets.

The governor said as the private sector was the engine of economic growth, the central bank always focuses on increasing private sector credit growth.

"The MPS is aligned with the Sustainable Development Goals agenda," he said, adding that the BB was always supportive of the country's creative entrepreneurs and micro, small and medium enterprises.

On the higher rate of interest on national savings certificates, Kabir said the

tool was designed for small investors as part of the social safety net and was a pension fund for the private sector undertaken directly by the government.

Waqar Ahmad Choudhury, senior vice-president of the chamber, while presenting his keynote paper, said the MPS was considered as a catalyst for private sector growth.

The MPS has focused on 7.8 percent GDP growth, targeted to keep inflation under 5.6 percent, encouraged bond market development, and set private sector credit growth target at 16.5 percent.

All of these are positive for attracting private sector investment, Choudhury said.

He also said the rise in non-food inflation and purchasing power may push inflation to 6 percent. The public sector credit growth reached 13.30 percent from a negative 2.50 percent.

"This growth trend may shrink the space of desired growth of the private sector credit."

MA Baqui Khalili, a former professor of finance at the University of Dhaka, said the BB should carry out a study on the monetary policy's impact.

Commission needed to remove barriers to budget execution

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The economist said people pay tax but the quality of public services was not improving. "Attention has to be paid to citizen's satisfaction in the budget," he said.

"Extremely centralised budget is a problem," said Prof Akash.

He said a decentralised budget requires segments focusing on districts. Prof Akash called for a pilot project to identify the problems of a decentralised budget.

Rasheda K Choudhury, former adviser to a caretaker government, said members of school managing committees were selected on political consideration, resulting in the committees acting in their own interest.

She said there was a lack of cooperation in preparing district-wise budgets. "Formation of a financial commission can prevent discrimination in budgetary allocation for districts by way of improving coordination."

Speakers at the event also raised the issue of political biasness in allocation of district budgets.

Some districts are getting a lot of allocation while others deprived owing to political views in the budgetary allocation, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

He said political leaders secure higher allocations for their home districts and neglect others, deepening discrimination and hampering equal development.

M Zakir Hossain Khan, head of climate finance governance at Transparency International Bangladesh, said Barguna has been demanding climate budget for a long time because it is an area highly prone to climate change-induced risks, but the district has not received the allocation.

On the other hand, Trishal upazila in Mymensingh district received a climate risk project although it is not among the regions that face climate risk, he said.

The right district is not getting the right allocation only because of political viewpoints of political leaders, according to Khan.

The budgetary allocation is enough for the health sector but the problem lies in release of the fund, said Rashid-E-Mahbub, convener of the Shastho Odhikar Andolon.

He said earnings of the health sector go to the government coffer, so if some power was given to government-run health centres, services would improve.

Monower Mostafa, executive member of Democratic Budget Movement, presented a concept paper on alternative and participatory budget.



Hasan Mahmood Raja, chairman of United Group, and Moinuddin Hasan Rashid, managing director, cut a cake to launch the second outlet of shopping centre Unimart, a concern of the group, in the capital's Dhanmondi recently.

UNIMART



NAGAD

Mustafa Jabbar, posts, telecommunications and ICT minister; Ashoke Kumar Biswas, acting telecom secretary, and Tanvir A Mishuk, managing director of Nagad, attend the launch of the digital financial service provider's customer registration process at The Westin Dhaka on Saturday.