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# star BUSINESS

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## Inadequate bonded warehouse benefits cost \$8b in exports: IFC

**STAR BUSINESS REPORT**

Bangladesh has lost up to \$8 billion in exports between fiscal years 2012-13 and 2016-17 due to ineffectual bonded warehouse benefits for products other than apparel, said the International Finance Corporation (IFC).

"Our overall export would have increased further if we could ensure bonded warehouse facility for the non-garment sector," Nusrat Nahid Babi, private sector specialist of the World Bank (WB) Group, said at a workshop yesterday.

The Economic Reporters' Forum (ERF) and the IFC, a member of the WB Group, jointly organised the event on tariff modernisation

and expansion of bonded warehouse facilities for non-garment exporters.

The bonded warehouse privilege provides entrepreneurs with the opportunity to import raw materials duty-free on the condition that the items manufactured with them would not be sold in the domestic market.

The export of non-garment items ranged \$5-\$7 billion a year during fiscals 2012-13 and 2016-17 and effective bonded warehouse benefit could have boosted shipment by about \$1.5 billion a year.

"But we have lost that opportunity," she said citing a study of the Policy Research Institute (PRI) of Bangladesh in 2018.

The estimate comes at a time when calls for diversification of the export basket are getting louder.

At present, apparel accounts for more than 80 percent of Bangladesh's export earnings.

"Export diversification continues to be a challenge," Babi said, adding that shipment of 900 products



**NBR Chairman Md Mosharraf Hossain Bhuiyan speaks at a workshop in the capital's Economic Reporters' Forum yesterday. PRI Chairman Zaidi Sattar was present.**

fetches less than \$1 million in fiscal 2015-16. Most of the exporters did not use bonded warehouse facilities. "Thus non-garment exports are at a disadvantage compared to apparel."

While there is provision for bonded warehouse privilege for non-garment exporters, the approval of licence for the access is selective.

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## ADB betting big on Bangladesh

*The country was third highest recipient of its loans in 2018*

REJAUUL KARIM BYRON, from Fiji

Bangladesh was the third highest recipient of loans from the Asian Development Bank (ADB) last year, in further testament to the development partners' enhanced opinion of the country.

Of the \$21.58 billion pledged by the Manila-based multilateral lender, \$2.20 billion went to Bangladesh, dwarfed only by the amounts received by India (\$3.52 billion) and China (\$2.62 billion), the two largest economies of the region.

The amount is the highest yet for Bangladesh from the ADB, which typically commits in the neighbourhood of \$1.5 billion every year, according to a presentation during its 52nd annual meeting, which wrapped up yesterday.

In 2017 Pakistan was the third highest recipient of the ADB's loans at \$2.10 billion, but last year it dropped to \$1.08 billion.

The ADB also arranges co-financing with other bilateral or multilateral development partners and in 2018 it arranged \$35.81 billion for the Asia-Pacific nations, of which \$4.48 billion went to Bangladesh -- the highest.

"If an economy is growing at 7-8 percent the whole world will come and invest," said Hun Kim, ADB's director general for South Asia operations.

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## Credit growth falls for the fifth month

*Ongoing liquidity crunch to blame*

**STAR BUSINESS REPORT**

Private sector credit growth declined for the fifth month in a row in March thanks to the ongoing liquidity crunch brought about by the rising default loans.

In March, credit growth stood at 12.42 percent, which is much lower than the central bank's target of 16.5 percent for the second half of 2018-19.

At the end of 2018, total non-performing loans amounted to Tk 93,911 crore, up from Tk 74,303 crore a year earlier, according to data from the central bank.

Scarcity of funds to give loans with, shortage of greenbacks to meet import payments and disbursement of large amounts of loans for the mega infrastructure projects are responsible for the dwindling credit growth, according to

Bangladesh Bank officials.

Credit growth will decline further in the months to come if the existing unpleasant situation persists, they said.

Deposit growth is lower than the credit growth, forcing banks to adopt a cautious lending policy.

The net foreign asset in the country's balance of payment is now negative, weakening the banks' deposit base further.

At the same time, savers are gravitating towards savings certificates and bonds instead of bank deposits because of higher returns from the former, the BB officials said.

The government should adjust the rate of interest on its tools for the sake of restoring stability in the financial sector, they added.

## Local firm offers blockchain solutions to UK fintech

**STAR BUSINESS REPORT**

Local tech firm eGeneration is set to develop blockchain solutions for UK-based fintech TEEK TAKA, aiming to improve labour practices in global supply chains by initially focusing on Bangladesh's readymade garment sector.

A deal was signed at eGeneration's Dhaka office on Thursday for it to develop and pilot a cloud-based solution combining blockchain technology and invoice financing for the fintech, said a press release yesterday.

It is to incentivise factories to adopt ethical and sustainable behaviours by rewarding them with access to fast and cheaper financing, it adds.

Shameem Ahsan, chairman of eGeneration, said they have been working to make Bangladesh a global brand in providing innovative solutions and moving beyond being a low-cost IT solutions provider.

"To achieve that, we have developed in-house expertise in cutting-edge technologies such as artificial intelligence, data analysis, blockchain and cyber security," he said.

"We are happy that eGeneration has once again gained the trust of an international client with its world class technology and business expertise," he added.

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## Dhaka stocks post biggest single-day gain in 4 months

**STAR BUSINESS REPORT**

The premier bourse yesterday posted its biggest single-day rise in the last four months, as investors gained confidence thanks to the latest policies taken by the government.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 108.15 points or 2.04 percent to 5,394.90, notching the highest single-day increase since January 8, when it went up by 115 points.

"The government's support to the market has boosted the confidence of general investors," said Minhaz Mannan Emon, a director of the DSE.

Besides, the Bangladesh Bank and the National Board of Revenue came up with policy support, he added.

On Thursday, Finance Minister AHM Mustafa Kamal assured investors that there would definitely be something for the

capital market in the budget to be unveiled next month.

Last week, the Bangladesh Securities and Exchange Commission increased the amount of shares for general investors in case of initial public offerings, extended the lock-in period, and toughened rules for issuing placement share.

On its part, the central bank decided to re-allocate a revolving fund of Tk 856 crore to provide loans to the affected stock investors.

Emon, also the managing director of BLI Securities, said the government has proved that it was concerned about the market. "So, investors' participation has increased."

Turnover, another important indicator of the market, rose 12.8 percent to Tk 535.95 crore.

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**Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh; Faridur Reza Sagar, managing director of Channel i, and Shykh Seraj, director and head of news, attend a press meet at InterContinental Dhaka yesterday to announce the launch of Standard Chartered - Channel i Agrow Award 2019.**

## Fifth edition of Agrow Award launched

**STAR BUSINESS REPORT**

Standard Chartered Bangladesh yesterday announced the launch of a fifth edition of Standard Chartered - Channel I Agrow Award 2019 to recognise the best performers in the agriculture sector.

The bank and Channel i—the joint organisers of the event—made the announcement at a press conference at InterContinental Dhaka.

This year, awards will be presented in eight different categories: farmer of the year - male; farmer of the year - female; heroes for change; jury special; best agricultural organisation in research, innovation and technology; best agricultural organisation in support and execution; best agricultural exporter and lifetime achievement award.

The agriculture sector is still the key driver of the country's growth having 14 percent contribution in the gross domestic product and over 40 percent in employment, said Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh.

Agrow Award aims to support the real heroes who are driving the sector through their innovation, courage and dedicated efforts, he said.

"I am delighted to have Channel i as a partner with us in this initiative. And I am

sure that together we can take this initiative to new heights."

"Agriculture is at the root of Bangladesh and Channel i moves onward with the motto of Hridoye Bangladesh, a television programme, said Faridur Reza Sagar, managing director of Channel i. Farming is not just a job, it's a way of life, he said.

"I firmly believe Standard Chartered - Channel i Agrow Award 2019 will inspire the farming sector and farmers towards achieving further development," he opined.

Shykh Seraj, director and head of news at Channel i, said, "The indigenous talent of the farmers and their innovative endeavours are mostly taking the farming sector ahead in Bangladesh."

Private sector research and innovations have made the road easier for the farmers and they should be recognised, he added.

He said it should not only be framed by just an award.

"The recognition should be spread around the country so that it inspires all individuals and organisations across the country. So that the next innovation turns into something even more special."

Standard Chartered has awarded 26 winners, including 8 individuals and 16 organisations and institutions, since 2014.

## Three drug makers become NBR's trusted traders

**STAR BUSINESS REPORT**

Square, Beximco and Incepta Pharmaceuticals yesterday were granted the privilege of being the revenue authority's trusted traders, meaning they would be able to clear their imported and exported goods from the ports faster than the rest, said officials yesterday.

The three drug makers were declared Authorised Economic Operators (AEOs) by the National Board of Revenue (NBR) at an accreditation ceremony organised jointly with the USAID-Bangladesh Trade Facilitation Activity II project at the capital's InterContinental Dhaka.

At the event, the NBR launched the AEO programme to facilitate trade by providing green channel to compliant businesses to do overseas trade in a secure, transparent and predictable trading environment.

As AEO, the companies will enjoy several benefits that include examination of goods on their premises, direct clearance of goods from ports and completion of clearance procedures before the arrival of goods.

The AEO concept, which was introduced by World Customs Organisation (WCO) under the Framework of Standards to Secure and Facilitate Trade (SAFE), was adopted in 2005 with a view to facilitating trade and creating a secure, transparent and predictable trading environment.

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### Central Counterparty Bangladesh Limited

Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000, Email: pt.ccbl@dse.com.bd

#### Appointment of CEO & Managing Director

The Central Counterparty Bangladesh Limited (CCBL), the clearing and settlement company of the country, is seeking application from qualified professionals for the position of CEO & Managing Director. CCBL has been incorporated under BSEC (CnS) Rules, 2017 with a paid up capital of Tk. 300 crore for the growth of capital market of Bangladesh. The incumbent will hold the key leadership position for planning and directing all activities and setting strategic directions for overall growth of business of the Company. He will be responsible to the CCBL Board of Directors for overall management of the company.

#### Major Roles/Responsibilities

- Leading CCBL as a demutualized self-regulatory organization in accordance with the Acts, Rules and Regulations of the Bangladesh Securities and Exchange Commission (BSEC) and the CCBL as well as the Companies Act.
- Developing plans and providing visionary guidelines for short/long term actions for strategic and operational activities to meet the corporate objectives.
- Ensuring proper administration, corporate governance in CCBL and for all other member companies.
- Developing excellent working relation with the Government, BSEC, Bangladesh Bank and other stakeholders and ensure compliance of Acts/Rules/ Regulations.

#### Required Qualification & Experience

The candidate must have at least any of the following educational qualification and professional experience:

- Minimum of 15 years professional experience in Capital Market with a Master Degree in Business;
- Minimum of 15 years professional experience in Capital Market with a CFA or CA or CMA title;

Provided that in any case, he/she should have at least 5 years professional experience in any relevant Capital Market institution as a Chief Executive Officer or Higher post.

Candidates having above mentioned qualification, experience and competency are requested to forward an application with full resume along with two passport size photographs within **May 20, 2019**, to below address along with a soft copy by email (pt.ccbl@dse.com.bd).

**Promoter Director,**  
**Central Counterparty Bangladesh Limited**  
Stock Exchange Building, 9/F Motijheel C/A, Dhaka-1000.

Please mark the envelope 'Application for the position of **CEO & Managing Director**'.

Attractive compensation package will be offered to really deserving candidate. All applications will be treated on merit and in strict confidence.

*The CCBL reserves the right to accept/reject any application without assigning any reason whatsoever. Only short-listed candidates will be contacted.*