



Pubali Bank gets new chairman

STAR BUSINESS DESK

Pubali Bank recently saw the unanimous election of Azizul Huq, founder CEO of Islami Bank Bangladesh, Social Investment Bank and Islamic Finance and Investment, as chairman during a board meeting.

Obtaining a Master of Arts in economics from the University of Dhaka, Huq started his banking career as a probationary officer at Habib Bank of Pakistan in 1958, the bank said in a statement yesterday.

He was also an independent director and vice chairman of Islami Bank Bangladesh.

Samsung ends free AC cleaning campaign

STAR BUSINESS DESK

Samsung Electronics Bangladesh has recently completed a second phase of its countrywide "Summer Service Campaign 2019", which offered free cleaning and maintenance services for air conditioners purchased since 2017.

"(It is) our way of reassuring our customers that our relationship with them continues well beyond the sale of the product," Seungwon Yoon, country manager of Samsung Bangladesh, said in a statement yesterday.



Mohammed Abdul Maleque, vice chairman of First Security Islami Bank, presides over its 20th annual general meeting at Kurmitola Golf Club in Dhaka yesterday. The bank approved 10 percent stock dividend (bonus share) for 2018. Syed Waseque Md Ali, managing director, was present.

India shares hit record high over Modi election victory forecasts

AFP, Mumbai

Indian shares soared 3.75 percent on Monday -- the biggest jump in nearly six years -- as markets greeted exit polls indicating conservative Prime Minister Narendra Modi secured a new term in a general election.

The Bombay Stock Exchange's Sensex index ended at a record high 39,352 points while the Indian rupee also strengthened to 69.63 to the dollar from its Friday closing of 70.22.

Traders called the polls boost to Modi's right wing government a vital sign of stability for one of the world's fastest growing major economies.

"This ends a significant political uncertainty," said Sujan Hajra, an economist at Anand Rathi securities in Mumbai, who described Modi as a "market reformer".

"The Modi government with its second term will continue with its policies and it is easier for businesses and traders to carry on with their expansion or investment plans which already have been initiated."

Others echoed his view.

"These exit polls have given a high level of comfort for investors and the governmental policies initiated in the first term will only gain momentum," said Amar Singh of Angel Broking.

Exit polls indicating Modi had won a second term were released late Sunday after the seventh and final round of voting in the marathon election. The official count starts Thursday.



A man walks past a screen displaying news of markets updates inside the Bombay Stock Exchange in Mumbai yesterday.

German economy unlikely to keep growth pace in Q2

REUTERS, Berlin

The German economy is likely to lose some steam in the second quarter after it posted a solid growth rate in the first three months of the year, the Bundesbank said on Monday.

Germany's spluttering economy returned to growth in the first quarter as consumers spent more freely and construction activity picked up helped by mild winter weather, but the outlook remains clouded by trade disputes.

Gross domestic product (GDP) rose 0.4 percent quarter-on-quarter and 0.7 percent year-on-year calendar-adjusted, preliminary figures from the Statistics Office showed Wednesday.

The Bundesbank said in its monthly report that the rebound in the first quarter was driven by "several special factors" which means the economy would struggle to keep its growth pace in the April-June period.

Latifur Rahman re-elected chairman of National Housing Finance

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Latifur Rahman has recently been re-elected chairman of the National Housing Finance and Investments for a two-year term.

The election took place at the company board's 209th meeting on May 13, said the entity in a statement yesterday.

Rahman is chairman and CEO of Transcom Group which deals with beverages, electrical and electronics products, pharmaceuticals, fast food, snacks and breakfast cereals, print media, FM Radio and tea plantations.

The group's companies include, Transcom Beverages, Transcom Electronics, Eskayef Pharmaceuticals, Transcom Foods, Transcom Distribution Company, Transcom Consumer Product and Mediastar.

Rahman is a member of the executive board of ICC-Paris, vice president of ICC-Bangladesh and member of Brac's governing body. He was a member of the Bangladesh Better Business Forum and Advisory Committee on World Trade Organization.

Rahman was also president of the Metropolitan Chamber of Commerce and Industry, Dhaka for seven terms and of Bangladesh Employers' Federation.

He was also chairman of the Bangladesh government's Trade Body Reforms Committee and a member of Bangladesh Bank's executive board.

Rahman is an honouree of "Oslo Business for Peace Award 2012" and was awarded Business Executive of the Year 2001 by the American Chamber of Commerce in Bangladesh.

He has also been honoured with the "SAARC Outstanding Leader" award and Lifetime Achievement Award which was presented by the UK Bangladesh Catalysts of Commerce and Industry.



Stocks back in red upon rumour

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Of the traded issues, 50 advanced, 262 declined and 30 closed unchanged on the premier bourse.

Brac Bank dominated the turnover chart with its transaction of 68.77 lakh shares worth Tk 40.01 crore, followed by SK Trims, Fortune Shoes and Bank Asia.

Emerald Oil was the day's best performer with its 10 percent gain, while Al-Arafah Islami Bank was the worst loser, shedding 9.25 percent.

Chittagong stocks also closed low with the bourse's benchmark index, CSCX, declining 122.95 points, or 1.24 percent, to finish at 9,748.42. Losers beat gainers as 166 declined, 46 advanced and 27 finished unchanged on the Chittagong Stock Exchange.

Be uncompromising about standards

Industries minister asks BSTI

STAR BUSINESS REPORT

Industries Minister Nurul Majid Mahmud Humayun yesterday asked the Bangladesh Standards and Testing Institution (BSTI) to undertake a "zero tolerance" policy to ensure the standard of products.

"The BSTI has to take a no-compromise stance to prevent any sort of irregularity regarding quality of goods and their weights," he told a discussion at the BSTI marking World Metrology Day 2019, says a press

release.

The call comes a couple of days after the national standardisation agency cancelled licences of nine food items and suspended permission for making 43 food products as the companies failed to comply with standards.

The companies will get back their production licences if they can prove their ability to maintain the standards, one of the BSTI officials said earlier.

The BSTI recently collected 406 samples of food items from the market from across the country and

tested those at its laboratory. It found 52 food items to be of substandard and sought explanations from the companies.

Humayun said the recent activities by the BSTI were laudable. "The BSTI has to work staying above all sorts of fear, temptation and self-interest," he said.

State Minister for Industries Kamal Ahmed Mojumder, Industries Secretary Md Abdul Halim and BSTI Director General Md Muazzem Hossain also spoke.

New policy to cheer up defaulters: Menon

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Issued last week, the new facilities give loan defaulters a lifeline, allowing to regularise loans with a down payment of only 2 percent instead of the existing 10-50 percent.

Moreover, a maximum 9 percent interest will be charged on the rescheduled loans. The existing rate is 12-16 percent.

The new policy drew immense criticism, mounting fears of further deterioration of the banking sector's financial health.

Menon said three to four banks including Islami Bank, Union Bank

and First Security Islami Bank remained under the grip of one person.

Word gets around that one day that person fell sick and went to Singapore for treatment, creating apprehension in the central bank that disaster will strike the banking sector should an accident befall that person, he said.

He said the Bank Company Act was amended just to allow more family members of bank owners into the board.

The family members are not the owners -- they are only sponsor directors. General people are the

original owner and the amendment came about without their consent, added Menon.

The share market was not allowed to develop and some fake companies have been allowed to raise capital through initial public offerings, he added.

Menon said the government was allowing rice import despite surplus production at home, resulting in farmers not getting fair prices. Rice imports are not being restricted to promote money laundering through under- and over-invoicing, he claimed.

Gold dips to two-week low as dollar holds more allure

REUTERS

Gold fell to a more than two-week low on Monday as investors preferred the safety of the dollar, with the currency underpinned by robust economic reports out of the United States, even as geopolitical risks and trade tensions persist.

Spot gold was down 0.2 percent at \$1,274.51 an ounce at 1025 GMT, having touched \$1,273.22 for its lowest since May 3. US gold futures edged 0.1 percent down at \$1,274.50.

"Trend is bearish for gold. Money is going into equities and the dollar as well. Dollar remains a primary

investment and, despite the fall in equities, there is no fear of a further fall, and that's also attracting investments," said Jigar Trivedi, a commodities analyst at Mumbai-based Anand Rathi Shares & Stock Brokers.

The dollar index firmed near a two-week high, extending gains after strong US housing data and a report pointing to lower unemployment helped the US currency to mark its biggest weekly rise last week since early March.

Renewed US-China trade fears have also helped the dollar to mimic its trajectory from last year, when it was

preferred to gold as a perceived safe-haven asset.

Adding to the trade worries between the United States and China, Google confirmed a Reuters report stating that it had suspended some business with Chinese tech giant Huawei.

In the Middle East, Iran was served a new warning by US President Donald Trump, who tweeted that if the country wanted to fight, that would be Iran's "official end".

But Trivedi noted that investment demand for gold has failed to pick up. "Even with geopolitical tensions, no safe-haven demand has emerged," he said.

Time for RMG to be eco-correct

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The EU is looking to become climate-neutral by 2050 and climate-positive afterwards. If Bangladesh wants to continue to export to the EU it needs to bump up its renewable energy usage.

"If we want to be a leader in the global apparel industry that we desire by 2030, then we just cannot keep us confined within national rules and regulations and compliance code of conduct. We have to go for green factories, we have to go for circular economy, renewable energy and so many other things," Hossain added.

Mahfuz Anam, editor and publisher of The Daily Star, said: "We cannot harm the environment and also we

cannot do anything that will shrink our garment sector. It is our golden egg that we have to hatch bigger and bigger and more efficiently because it is so much part of Bangladesh's growth."

So, the question now is how does the country sustain the growth of the garment sector and yet protect the natural resources, he said, while citing Mexico City, which is one of the most polluted cities in the world, as a cautionary tale.

Although there is a scope for efficiency improvement by using eco-friendly technologies, the problem is access to funds for garment factories,

said Tareq Rahman, secretary to the Nordic Chamber of Commerce and Industry in Bangladesh.

"Brands need to do more in Bangladesh," said Jacob Kahl Jepsen, commercial counsellor (head of trade) at the Danish Embassy in Bangladesh.

Azmal Hossain, managing director of Brenntag Bangladesh Limited, and Ethel Fanny Laursen, business unit director of Novozymes, were also present. Radhey Kaushik, regional marketing manager of Novozymes, presented the keynote paper, while Shahedul Anam Khan, associate editor of The Daily Star, moderated the discussion.

Find ways to fight trade-based money laundering

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He emphasised improving efficiency of bankers to curb laundering. Every bank should develop its own data base instead of waiting for the central bank's instruction.

The databases of all banks should be interlinked, he added.

Banks and other stakeholders will have to play an active role in preventing money laundering, said Helal Ahmed Chowdhury, a supernumerary professor of the BIBM.

Monitoring will have to be strengthened at authorised dealer branches of banks, he said.

"Bankers will have to have depth of knowledge about credit reports," said Md Yasin Ali, another supernumerary professor of the BIBM.

The factors behind the money laundering will have to be identified, said Faruq Mainuddin, managing director of Trust Bank. He called for raising awareness among bankers and customers to thwart the menace.

Shah Md Ahsan Habib, a director of the institute, presented the research paper.



Maj Gen SM Salahuddin Islam, executive chairman of Bangladesh Export Processing Zones Authority (Bepza), Zillur Rahman, member (investment promotion), and Kim Jongbo, managing director of Hwashin (BD), attend a deal signing ceremony at Bepza Complex in Dhaka yesterday for the South Korean company to invest \$6 million for establishing a cosmetics accessories industry at Mongla Export Processing Zone.

Two Singapore firms show interest in 3rd submarine cable

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The SEA-ME-WE 6 has bigger area coverage but its bandwidth capacity will be less. SigMar has the capacity to meet the country's demand of getting connected with Singapore, he said.

At the same time, the BSCCL has experience of working with the SEA-ME-WE consortium for its first and second cables and some big players are members of this syndicate, which is also a very strong point, Rahman said. "But SigMar has almost no experience of developing undersea cable."

Bangladesh had connected with the first undersea cable SEA-ME-WE 4 in 2006 and with the second one SEA-ME-WE 5 in 2017.

At the beginning of 2018, the government asked the BSCCL to start its process to establish connection with a third undersea link and the company contacted several consortiums. Another reason for looking for another submarine cable is that the first cable is nearing its 20-year lifespan, said an official of the BSCCL.

The BSCCL had spent about Tk 500 crore for the first cable and earned more than what it spent.

The second cable cost the country Tk 660.64 crore and the Jeddah-based Islamic Development Bank lent \$44 million for the project, which the BSCCL started to pay back from this year. In the early 1990s, Bangladesh had rejected a proposal for free connection with the SEA-ME-WE-3.