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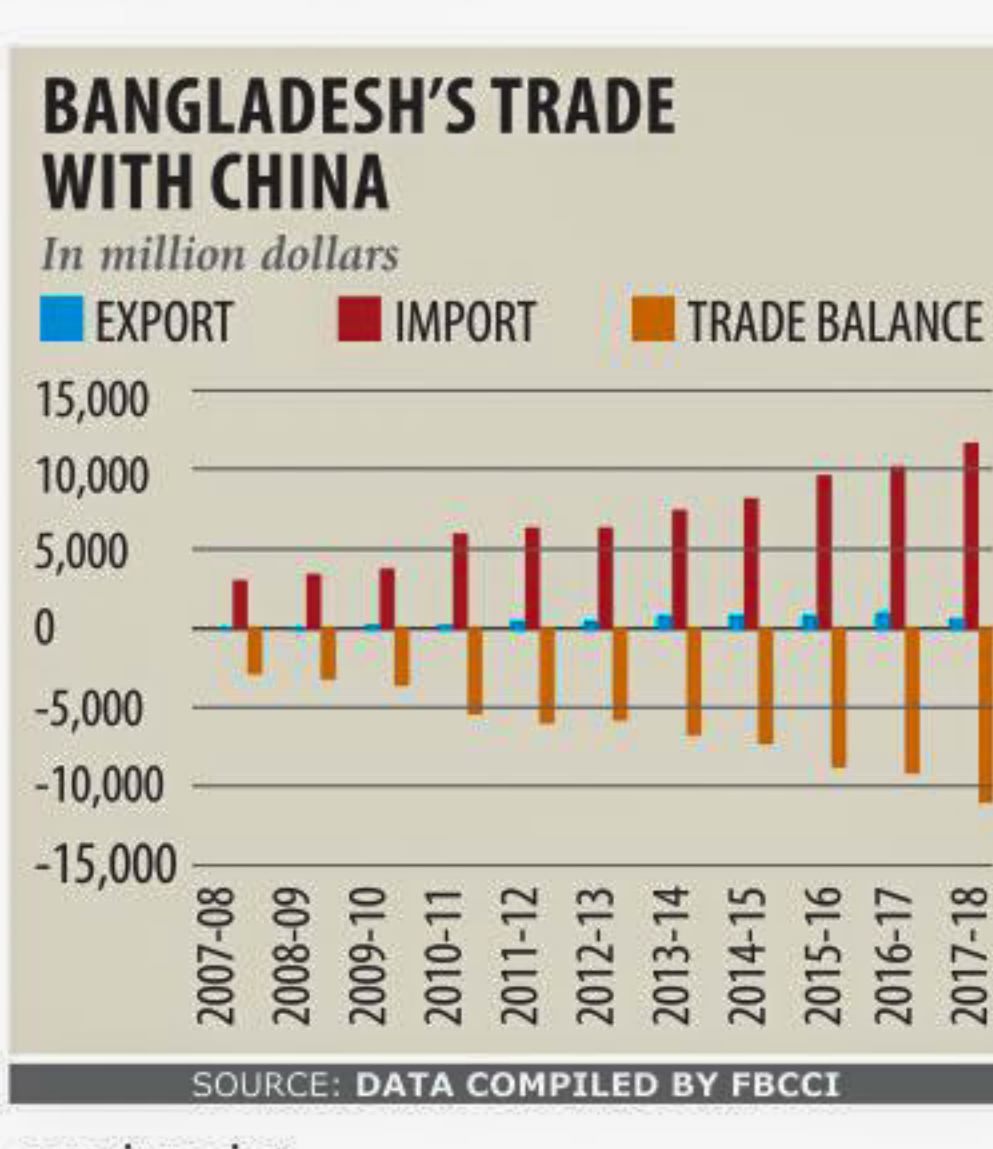
star BUSINESS

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Trade with China trebles in a decade

SOHEL PARVEZ
 Bilateral trade between Bangladesh and China trebled to nearly \$12 billion in the past decade thanks to the soaring imports by industrialists and businesses.
 Trade between the two nations, which was \$3.51 billion in 2008-09, rose to \$12.38 billion in 2017-18.
 And in the first nine months of the just concluded fiscal year trade stood at about \$11 billion, with the balance heavily tilted towards China, according to data compiled by Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).
 The data showed that import from China has been increasing gradually while shipment to the world's second biggest economy have been hovering below \$1 billion for the last several years.
 Analysts and entrepreneurs said Bangladesh gets duty-free access for nearly 5,000 items but businesses cannot take full advantage of the opportunity owing to the country's small export basket.
 "We have nothing but garments while they

produce almost everything. They have little to buy from us," said Anwar-ul Alam Chowdhury, president of the Bangladesh Chamber of Industries.
 It would be very difficult to increase exports to China unless Bangladesh's exportable products are expanded, said Chowdhury, also a former president of the Bangladesh Garment Manufacturers and Exporters Association.
 Data compiled by the FBCCI showed that garment accounted for 56 percent of the total exports of \$695 million to China in fiscal 2017-18.
 Jute and jute goods accounted for 19 percent of total shipments that year, followed by leather and leather goods at 9 percent.
 Exporters also shipped items namely frozen foods, footwear, home textile, optical photographic instruments, plastic and plastic articles, furniture and engineering products as well. These accounted for the remaining 17 percent of the exports to China.
 As much as 68 percent of the imports from China were textiles, machinery and mechanical appliances.
 A senior official of the commerce ministry seeking anonymity said nearly 50 percent of the products imported from China are meant for export-oriented industries to make products for the export market.
 "The rest come for domestic consumption," he said, adding that trade imbalance between two nations is rising because of a spiral in capital machinery imports.
 One way to boost export is to attract Chinese investment to Bangladesh, he said, citing Vietnam and Malaysia as



Banks' operating profit rises despite liquidity crisis

AKM ZAMIR UDDIN
 Most of the private banks saw their operating profits edge up in the first half of the year despite the ongoing liquidity crisis and a decline in credit growth.
 The Daily Star obtained data of 23 banks and all of them posted growth in operating profit -- which is the profit before deduction of taxes and setting aside provisioning for loans -- ranging from 2 percent to 120 percent.
 Of them, Islami Bank Bangladesh, which is the largest private sector bank, posted the highest operating profit of Tk 1,223 crore in the six months to June, up 19.78 percent year-on-year.
 City Bank reported a 39 percent jump in operating profit to Tk 371 crore between the months of January and June as it concentrated on mobilising low-cost deposits and expanding its trade finance business.
 "We have also recovered a significant amount of default loans during the period," said its Managing Director Mashrur Arefin.
 Pubali Bank, whose operating profits escalated 21 percent, saw all its departments perform well, said its Managing Director MA Halim Chowdhury.
 "The bank recovered a good amount of default loans and expanded trade-based financing in tandem," he added.
 Southeast Bank, whose operating profits increased 11 percent during the period, also turned to its trade finance business, according to its Managing Director M Kamal Hossain.
 "In many cases, we offered a discounted rate to importers than our normal rates," he

OPERATING PROFIT		
In crore taka		
	H1-2019	H1-2018
IBBL	1,223	1,021
Pubali	540	447
DBBL	510	418
Southeast	505	455
Bank Asia	465	417
Al Arafah	405	260
City	371	266
NCC	362	296
Mercantile	331	325
Exim	330	325
Shahjalal	320	210
Jamuna	310	266
Dhaka	300	260
IFIC	297	155
SIBL	295	275

SOURCE: RESPECTIVE BANKS

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cases in point.
 Exports by foreign investors is 52 percent of Vietnam's export, he said.
 Joint ventures between Bangladesh and Chinese investors in sectors such as electronics, engineering, textiles and other areas would be instrumental to diversifying the export basket, Chowdhury said.
 He expects investment from China to increase after the completion of special economic zones and the mega infrastructure projects.
 Imports from China are spiralling as it quotes a cheaper price than elsewhere, said Ali Ahmed, chief executive of the Bangladesh Foreign Trade Institute.
 "On the other hand, our goods for China are very few."

said, adding that the bank also worked on recovering default loans.
 Along with the low-cost deposits Jamuna managed funds from the central bank at a lower rate as the lender is one of the largest primary dealers in the country, which ultimately pushed its profit up, said its MD Shafiqul Alam.
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Banks to transfer incentive to accounts of remitters

REJAUJ KARIM BYRON and JAGARAN CHAKMA
 Banks will transfer incentive to the bank accounts of remitters or their beneficiaries like they do in case of exporters as the maiden budget allocation for the hard-working migrant workers became available from yesterday.
 A finance ministry official told The Daily Star that it would send a guideline to the central bank regarding the incentive on remittance.
 For the first time, the government has introduced an incentive, which is 2 percent, on the money remitted by expatriate Bangladeshis with a view to encouraging the inflow of remittance through legal channels. The government has allocated Tk 3,060 crore for the purpose in the current fiscal year.
 The official said banks will pay an additional 2 percent to the remitters when they disburse the money to the bank accounts of the recipients.
 For example, if an expatriate sends Tk 100, the respective bank will disburse Tk 102 in favour of the beneficiary account. Later, the bank will claim the additional payment with the central bank.
 At present, commercial banks disburse incentives to exporters when their earnings enter the country.
 A Bangladesh Bank official, however, said because of the incentive, money will be laundered from Bangladesh through hundi and the same money will enter the country again as remittance.
 Subsequently, the central bank sent an opinion on the incentive, expressing apprehension on the misuse of the fund. In the opinion, the central bank said no agreement or document is required between a remitter and the recipient to transfer the remittance. Banks pay the remitted funds to the accounts of the relatives directly.
 On the other hand, exporters have to submit documents on exports when they claim the incentive. If any wrongdoing is noticed, there is scope to recover the money.
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Improve char livelihoods to help attain SDGs: analysts



Planning Minister MA Mannan attends a national dialogue on "repositioning char development for attaining Sustainable Development Goals (SDGs)" at The Daily Star Centre in Dhaka yesterday.
STAR BUSINESS REPORT
 Lawmakers and development activists yesterday stressed the need for setting up an institution to improve the livelihood of char dwellers in order to achieve the Sustainable Development Goals.
 Around 60 lakh people who live in the char areas lead a vulnerable life due to a lack of access to education, communication and health care facilities.
 An independent foundation should be formed to replace the Char Development Board, said Planning Minister MA Mannan.
 He spoke while addressing a national dialogue on "repositioning char development for attaining Sustainable Development Goals (SDGs)" organised by Shamunay, a non-profit organisation, at The Daily Star Centre in Dhaka.
 The minister recommended people's representatives, including lawmakers and upazila chairmen, lobby with the government to form the Char Development Institution.
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MFS transactions hit record high

MUHAMMAD ZAHIDUL ISLAM
 Transactions through the mobile financial service platform hit a record Tk 42,236.23 crore in May as discounts offered by the major MFS providers to tempt Eid shoppers to pay through their channel appear to have worked.
 The amount is an increase of 20.8 percent from the previous month, according to data from the Bangladesh Bank.
TRANSACTION THROUGH MFS
 In crore taka
 Dec'18: 32,106 | Jan'19: 34,626 | Feb'19: 31,513 | Mar'19: 34,678 | Apr'19: 34,976 | May'19: 42,236
 Source: BB
 "Eid has surely been a big factor behind the spike in transactions but there were few other factors as well," said Sheikh Md Monirul Islam, chief external and corporate affairs officer at bKash.
 The central bank's move in May to increase the MFS transaction limits also seemed to have helped log in the highest number for a single month, said Md Serajul Islam, spokesperson of the BB.
 The move to introduce more options to top-up MFS wallets other than through agents contributed to the higher transactions, Monirul Islam said.
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Floating containers yet to be recovered from Bay

STAFF CORRESPONDENT, Ctg
 Imported goods that fell off the container vessel KSL Gladiator into the Bay of Bengal on Sunday morning are yet to be retrieved as rough seas halted search operation.
 The goods tumbled out of the container vessel while en route to Summit Alliance Port Limited's inland water container terminal in Narayanganj and Pangaon container terminal in Keraniganj on Saturday night.
 The vessel faced turbulent waters and 43 of the 83 containers on board fell out, according to SM Shah Alam, director of Karim Shipping Lines, its owning firm.
 "We immediately sent two of our vessels to the spot."
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NEWS IN brief

GPH Ispat to invest in tyre factory
 GPH Ispat plans to invest Tk 6 crore in Star Allied Venture Ltd—a private limited company—as an equity investment. The fund will be used to purchase 50 acres of land at Mirsarai Economic Zone in Chattogram to set up a tyre factory.
City General Insurance downgraded to B category
 The Dhaka bourse has downgraded City General Insurance to 'B' category from 'A', as the company approved 5 percent cash dividend for 2018.
 Declaring a minimum of 10 percent dividend is a must to remain in the 'A' category. The change of category will take effect from today.
Prime Islami Life declares 12pc cash dividend
 Prime Islami Life Insurance has announced 12 percent cash dividend for its shareholders. The annual general meeting of the firm will take place in the capital's Celebrity Convention Hall on September 26.

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 আধুনিক ব্যাংকিং সেবা নিয়ে এনসিসি ব্যাংকের শ্যামলী শাখা এখন নতুন ঠিকানায় মঙ্গলবার, ২ জুলাই ২০১৯ হতে।
 পূর্বের ঠিকানা: বিবিটিওএ ভবন, ৯, কল্যাণপুর মিরপুর রোড, ঢাকা।
 নতুন ঠিকানা: হাজী আব্দুল রাজ্জাক টাওয়ার (দ্বিতীয় তলা) ২/২, দক্ষিণ কল্যাণপুর, ঢাকা-১২০৭।
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