

Leaders key to navigate today's 'complex' business world

Speakers say at Finance Summit

STAR BUSINESS REPORT

Leadership is key to helping organisations navigate in an increasingly complex business world to drive performance, speakers said yesterday.

Financial intelligence and capacity are the foremost capability for any leader, they said.

They spoke at the first Finance Summit organised by Lighthouse Bangladesh in association with Eastern Bank at The Westin Dhaka hotel.

It aimed to give decision-makers, professionals, aspirants in the wealth management and investment industry and entrepreneurs an access to new ideas, solutions and innovations, to help take the economy forward.

The summit offered a view of the industry, predictions and insights to help participants form future strategies.

Business leaders, corporate personalities, international experts in the field of economics, finance, investment strategy, product development, wealth management and IT attended the event.

The summit shed light on four components: opportunities, challenges, achievements and excellence.

According to the discussants, the financial sector has changed considerably over the past decade and has witnessed significant growth in many aspects.

KAM Majedur Rahman, managing director of the Dhaka Stock Exchange, Nuzhat Anwar, senior country officer of the International Finance Corporation, and Shaffat Ohid, co-



EASTERN BANK

Mamun Rashid, managing partner at PricewaterhouseCoopers Bangladesh, speaks at the Finance Summit organised by Eastern Bank and Lighthouse Bangladesh at The Westin Dhaka yesterday. Ali Reza Iftekhar, CEO of Eastern Bank, was present.

founder and managing director of Digital Tree Bangladesh, presented keynote papers on Emerging Bangladesh and Branding Bangladesh.

Panelists took part in discussion on topics such as financial innovation, industrialisation and sustainability, capital market and opportunity, financial inclusion, the Sustainable Development Goals, corporate governance and the financial sector.

Ali Reza Iftekhar, chief executive officer of EBL, Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, Syed Mahbubur Rahman,

CEO of Dhaka Bank, Faruq Mainuddin Ahmed, CEO of Trust Bank, Mominul Islam, CEO of IPDC Finance, Mahtab Uddin Ahmed, CEO of Robi, Prof Imran Rahman, dean of ULAB School of Business, Maliha M Quadir, founder and MD of Shohoz, and Muhammad Abdul Momen, a professor at the Institute of Business Administration at the University of Dhaka, spoke on the occasion.

Mamun Rashid, managing partner of PricewaterhouseCoopers Bangladesh, moderated a session.

Indian gold discounts at three-year peak after import duty increase

REUTERS, Mumbai/Bengaluru

Domestic gold prices in India jumped to a record on Friday following an unexpected increase in import duty in the country's budget, hitting demand and forcing dealers to offer the highest discount in nearly three years.

Dealers in India, the world's second biggest gold consumer after China, were offering discounts of up to \$30 an ounce — the highest since August 2016 — over official domestic prices, versus the \$25 discounts seen last week.

India's finance minister Nirmala Sitharaman raised the import duties on gold and other precious metals to 12.5 percent from 10 percent in her first federal budget on Friday, a move industry officials said could dampen retail demand and boost smuggling.

"The duty hike surprised everyone," said Ashok Jain, proprietor of Mumbai-based gold wholesaler Chenaji Narsinghji.

"Prices are so high that even after offering \$30 discounts, people are not ready to buy," Jain said.

Gold futures jumped more than 2 percent following the budget announcement to hit a record high of 35,100 rupees per 10 grams. Local prices have risen more than 11 percent in six weeks.

Jewellers were not buying because they had expected a cut in import duty, a Mumbai-based bank dealer with a private gold importing bank said.

"Now, everyone is confused. Old

inventory is available at steep discounts but demand is weak."

Demand was lacklustre in other Asian hubs as well, with benchmark spot gold prices having risen more than 10 percent so far this year.

In China, premiums dipped to an \$11 to \$12 an ounce range over the benchmark compared with \$12-\$14 last week, as demand remained quiet, traders said.

In Singapore and Hong Kong, premiums remained unchanged from last week at 40-60 cents per ounce and 50 cents-\$1.20 respectively.

"Gold demand has been slow this week due to high prices but we do see many selling gold instead to take profit," Brian Lan, managing director at dealer GoldSilver Central in Singapore, said.

A dip of nearly \$100 in the benchmark prices could stoke demand for physical gold, traders said.

Asian hubs also saw high volumes of scrap gold coming on to the market as customers resorted to selling back gold to cash in on higher prices.

"The refineries in the region are not accepting the high volumes of scraps that we are getting and now have to ship them to Europe," a Singapore-based trader said.

In Japan, discounts of \$1-\$1.25 an ounce were offered versus \$1 last week, a Tokyo-based trader said.

Demand is limited and more customers have been selling gold back to us, the trader added.



THE CHRISTIAN CO-OPERATIVE CREDIT UNION

Home Minister Asaduzzaman Khan and Cardinal Patrick D'Rozario, archbishop of Dhaka, cut a cake at Krishibid Institution Bangladesh in the capital recently celebrating the 64th anniversary of The Christian Co-Operative Credit Union, Dhaka.



HILL PLANTATION

AKM Badruddoza, independent chairman of Hill Plantation Ltd (Ramgarh Tea Garden), presides over the company's 28th to 34th annual general meetings in Dhaka recently.

Banks contributing to deepening inequality

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"The country requires a vibrant bond market immediately to create a scope for long-term financing." The banking almanac will help depositors park funds with good banks as people have little scope to differentiate good lenders from bad ones at the moment, Mirza Aziz said.

"Written-off and restructured loans along with NPLs should be mentioned as stressed assets in the banking almanac with a view to painting the actual picture of the sector," he said. The banking sector alone is unable to fulfil the credit demand of the financial sector, said Jamaluddin Ahmed, a director of the central bank's board.

"The country's equity market often faces volatility. A long-term financing model for the industrial sector should be formulated," he said. There is a little opportunity to avail information about the financial sector, said Salehuddin Ahmed, a former governor of the central bank.

The almanac will help people know about the financial sector in details, allowing them to take informed decision, said Ahmed, also the chairman of the editorial council of the book. Md Nazrul Huda, a former deputy governor of the central bank; Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh (ABB), and Mohammed Nurul Amin, a former chairman of the ABB, also spoke.

Seminar on financial literacy begins tomorrow

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Saifur Rahman, an executive director of the stock market regulator, announced the programme schedule at a press meet at the BSEC office yesterday.

He said Prime Minister Sheikh Hasina is scheduled to open the seminar, which is first of its kind in Bangladesh.

Stock market experts from Bangladesh, India, Japan, Philippines, Nepal, Cambodia, Thailand, South Korea, Malaysia and Indonesia will take part in the seminar where sessions will be held on financial literacy and how to protect investors' interest, Rahman said.

Europe needs to find candidate to head IMF: France

REUTERS, Aix-En-Provence, France

European finance ministers need to find a compromise candidate to replace Christine Lagarde as the head of the International Monetary Fund, French Finance Minister Bruno Le Maire said on Saturday.

European leaders nominated Lagarde last week to succeed Mario Draghi as president of the European Central Bank,

raising the question of who would in turn replace her at the IMF.

Speaking on the sidelines of an economics and business conference in southern France, Le Maire that European finance ministers would discuss the issue at a meeting in Brussels on Tuesday.

"We need to find a compromise at the European level... I hope that we will find a compromise about the

best candidate, the best European candidate for the IMF," he told journalists.

"If we have a good European candidate we might have a good candidate for the IMF," he added in response to a question about whether Bank of England governor Mark Carney, who holds British, Canadian and Irish passports, could be fielded as Europe's candidate.

Revenue collection target realistic given GDP growth

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The economy grew at 8.13 percent last fiscal year and the government has targeted 8.20 percent growth this year.

Bhuiyan called upon chartered secretaries to help the government attain the revenue goal and urged them to convey the message to owners that a raid by taxmen would paint a bad image for the firms.

He suggested shunning the practice of maintaining two books of accounts.

Only 1 percent of the total population pay tax, Bhuiyan said. The NBR aims to increase the number of regular tax filers to 1.0 crore by 2021 from present 20 lakh. "We have started a survey in this regard and we have also taken a step to do administrative reforms to increase manpower and the number of offices."

Citing the new VAT law, the NBR chairman said there was an attempt to block the implementation of the law this year too using the excuse that it would pile pressure on the consumers.

To reduce the pressure, provisions of the VAT law have been relaxed. "We will discuss with businesses if any problem arises during the implementation phase."

The VAT-free turnover ceiling has been fixed at Tk 50 lakh annually and it is the turnover of a small shops such as betel leaf seller.

"If any shop in a market claims this amount, that will not be accepted," Bhuiyan said, adding that a problem will arise only when if there is collusion between dishonest traders and NBR officers.

The electronic fiscal device, which

is being procured, would be given to businesses this fiscal year, he added.

The VAT law is online-based and registration, return submission, refund claim, payment and appeals would be done online as well, said Abdul Mannan Shikder, NBR member for VAT policy.

ICSB Council Member Md Azizur Rahman said the enactment of the VAT Act 2012 through the budget will increase the government revenue collection and will facilitate in expanding trade and commerce in the country.

Kanon Kumar Roy, member for tax policy of the NBR, Mohammad Sanaullah, president of the ICSB, and Mohammad Asad Ullah, chairman for professional development sub-committee at the ICSB, also spoke.

Cement price rises Tk 50 per bag

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"The government's effort to reduce the rural-urban gap will face challenges," he added. However, Zahir Uddin Ahmed, managing director of Confidence Cement, ruled out any negative impact on the sector and the consumers as well.

Despite the latest hike, the price of cement is still lower than five years ago, when it rose to Tk 500 a bag, said Ahmed, also the first vice-president of BCMA.

The manufacturers did not have any intention to increase the price as the sector has been clocking 10 to 15 percent annual growth for the last 10 years. But the tax measures and the gas price hike have forced them to adjust the price.

At present, 42 cement factories are active, with their combined installed manufacturing capacity standing at 5.5 crore tonnes. The investment in the sector is about Tk 30,000 crore. The market size of the cement sector is Tk 13,000 crore and the annual demand is 3.5 crore tonnes.

Of the consumption, individuals account for 25 percent, real estate and commercial developers 30 percent and the government 45 percent.

Aus cultivation unlikely to expand

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Seasonally, aus is the second crop in the calendar after boro, the principal crop. And farmers suffered losses for slumping prices of paddy, impacted by good harvest of boro and previous aman paddy, and higher of stock of the grain in public and private sector.

Wholesale prices of coarse boro paddy was Tk 1,400 per quintal on Wednesday, down 5.36 percent from Tk 1,475 a month earlier. Last year, the prices of the coarse grain was Tk 1,770 per quintal, according to the Department of Agricultural Marketing.

The prices of paddy grew after the government's announcement of incentives for rice export to revive prices of the grain, said KM Layek Ali, general secretary of the Bangladesh Auto Major and Husking Mills Association.

"Prices dropped later." As a result, farmers are holding back from cultivating aus.

HALF YEARLY BUSINESS CONFERENCE 2019
The Premier Bank Limited
Chief Guest:
Dr. H.B.M. Iqbal
Freedom Fighter
Honorable Chairman of the Board of Directors, The Premier Bank Limited

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Tawheed Chowdhury, president of Nior Cosmetics, USA; Syed Mithun, vice president, and Syed Ahmed Sakib and Mohammad Asiful Hoque Royal, proprietors of cosmetics shop Carnesia, attend a contract signing ceremony in Dhaka on July 4 making the latter the sole distributor of brands Nior, Jordana and Milani.



HBM Iqbal, chairman of Premier Bank, and M Reazul Karim, CEO, attend its "Half-Yearly Business Conference-2019" at Radisson Blu Dhaka Water Garden yesterday.