

IPDC celebrates DHL-The Daily Star recognition

STAR BUSINESS REPORT

IPDC Finance, the country's first private sector non-banking financial institution, on Tuesday celebrated its achievement of being conferred a "Best Financial Institution of the Year" award by the DHL and The Daily Star recently.

The IPDC shared the moment with its investors and clients at an event titled "Half Yearly Investors Meet" at The Westin Dhaka on Tuesday, says a statement.

The company conducted a session highlighting its performance, benchmarks, strategies, key initiatives and the challenges that lay ahead.

Different initiatives of the company such as building Oron, the first ever digital supply chain finance platform, offering affordable housing facilities and empowering women and the underbanked, were also discussed.

"At the IPDC we have always sought to empower our customers and our employees. Our pathway ahead involves creating a holistic financing ecosystem for all," said Mominul Islam, managing director and CEO of IPDC Finance.

"Our initiatives so far have earned us 'The Best Financial Institution of the Year' title, and we intend to go further beyond," he added.

Abdus Samad, president of Bangladesh Money Market Dealers Association, said,



Mominul Islam, managing director and CEO of IPDC Finance, speaks at the company's "Half Yearly Investors Meet" at The Westin Dhaka on Tuesday.

"The IPDC is a significant name in the non-banking financial institution sector of Bangladesh."

"The institution is contributing to the economy of Bangladesh by providing easy loan access, its relentless efforts towards women empowerment and new innovative efforts. I hope the IPDC will continue these sorts of efforts," he said.

The IPDC's performance in the first half of the year, along with its promises and the path ahead were disclosed in the meeting.

Rizwan Dawood Shams, deputy managing director and head of business finance at IPDC Finance; Kyser Hamid, deputy managing director and head of retail business, and Monowar Hossain, head of treasury of United Commercial Bank, were present at the event.

Boeing sinks to \$3b loss on MAX groundings

REUTERS

Boeing Co reported a nearly \$3 billion second-quarter loss on Wednesday as the world's largest planemaker struggles with the prolonged grounding of its best-selling 737 MAX jet, sending its shares down 1 percent in premarket trading.

The world's largest planemaker has been unable to deliver any 737 MAX aircraft since the single-aisle plane was grounded worldwide in March after two fatal crashes in Ethiopia and Indonesia killed 346 people in a span of five months. Boeing disclosed a \$4.9 billion charge last week that includes compensation the planemaker will have to pay airlines for the delayed deliveries.

Boeing has embarked on a campaign to restore faith in its most popular jet and has pledged to remove any risk by reprogramming the software pinpointed in both crashes.

Bank Asia reappoints Arfan as MD

STAR BUSINESS DESK

Md Arfan Ali has been reappointed as president and managing director of Bank Asia for a second term.

Ali started his career with Arab Bangladesh Bank as a probationary officer in 1991.

He joined Bank Asia in 1999 and acted as a key team player in the acquisition of the operations of two foreign banks in Bangladesh – the Bank of Nova Scotia and Muslim Commercial Bank of Pakistan.

Ali pioneered and championed agent banking operations in Bangladesh with a view to serving unbanked and underserved population by providing banking and financial services.

He is the chairperson of the SWIFT Members and Users Group of Bangladesh and secretary general of the Association of Bankers, Bangladesh.

He attained an MBA from the IBA at the University of Dhaka.



Unique Meghnaghat to build 584MW plant

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Chaired by the BPDB Chairman Khaled Mahmood, the event was addressed by Abul Kalam Azad, principal coordinator (SDG affairs), Prime Minister's Office; Ahmad Kaikaus, senior secretary to the power division; Earl R. Miller, US ambassador to Bangladesh; and Deepesh Nanda, CEO, gas power systems, GE South Asia.

Noor Ali, the Unique chairman, Abu Hena Mohammad Rahmatul Muneeb, secretary to the energy and mineral resources division, and Ruhul Amin, Petrobangla chairman, also spoke.

Exim Bank MD reappointed



STAR BUSINESS DESK

The Export Import Bank of Bangladesh has reappointed Mohammed Haider Ali Miah as managing director, effective from today.

Miah started his banking career in 1984 as a probationary officer. He joined EXIM Bank in 2000 as vice president.

He worked as branch manager and head of different divisions in the bank's head office. He was promoted as deputy managing director in 2008 and additional managing director in 2011. He was then appointed as managing director in 2012.

Mia received his BSC (Honours) and MSc degrees from the University of Dhaka. He received a postgraduate diploma in Islamic banking and insurance from the Institute of Islamic Banking and Insurance, London and achieved a PhD degree from the US.

Put national interest above everything

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One of the MoUs promised \$26 billion for Bangladesh in terms of the BRI infrastructure and connectivity projects. Another \$14 billion was promised in joint investment.

Md Touhid Hossain, a former foreign secretary, said the BRI ostensibly aims at increasing connectivity so that trade and investment flourishes and communication between people and business people increases and there is ease of business. It also has important geopolitical context, he said.

He said Bangladesh is somewhat at the receiving end of the BRI. "I feel that nothing substantive is going to change for Bangladesh. I don't think with China's current relationship with Myanmar, this initiative is going to be much of a big difference for us connectivity-wise."

This initiative has, somewhat diminished Bangladesh's relative importance with other countries in the region. "Because Myanmar has become a very vital state for China in its pursuance of the BRI," said Hossain.

Prof Sk Tawfique M Haque, chairman of the

political science and sociology department at North South University, said the relationship between China and Bangladesh was deepening.

There is a change in Bangladesh's position and policy on the dependence on China, especially in the economic sector because the country needs money for infrastructure development, trade and business. Chinese investment is also coming heavily, he said.

Parvez K Abbasi, assistant professor of the economics department of East West University, said as Bangladesh gets more globalised and integrated, the country's exposure to global volatility will continue to increase. "So, there is a great need for insight on our projects."

"We need infrastructure and we need the money at competitive rates. We have to ensure our economy is in sound health."

Abbasi said the Chinese have invested massively across the region and the country plans to invest \$40 billion in Bangladesh but the disbursement rate has been quite slow.

In Bangladesh, there is a large amount of

investment not only from China, but also from the US, Japan and India, he said.

Abbasi said Bangladesh needs investment in infrastructure. And China usually charges very steep interest rates for commercial loans and the non-concessional loan part is very low.

"Do we have the capacity to take on so much debt-financed projects?"

ASMA Awal, a former ambassador and former assistant chief of the Naval Staff, said the debt to GDP ratio is satisfactory at the moment. But risks might arise when \$24 billion is added to the debt.

"Projects have to be chosen correctly and it has to be in our interest so that we don't fall into a debt trap. Otherwise, there will be problems."

Awal said Bangladesh should support the China-backed BRI and US-backed Indo-Pacific Strategy provided that the country does not become a victim like the Hambantota port in Sri Lanka.

"If we can maintain that and get the benefit from all the participants and become a hub, then it will be the best thing that can happen for Bangladesh."

Abul Hasan Chowdhury, former state minister

for foreign affairs, said the BRI has arrived and the discussion should be on how it can be taken forward. "The baby is born. What we are going to do with it is completely a different story."

He said there would be cooperation on certain aspects and divergence on certain aspects. "The success lies in how we manage that and succeed in moving ahead to bring a holistic approach."

He said Bangladesh is not a small country and it has immense potential. "We are going forward. If you [other countries] come and invest here, you actually invest in yourself."

Shahed Akhtar, a former ambassador and secretary, said the BRI itself is well thought out and Bangladesh has number plans and programmes to benefit from it.

Nadia Binte Amin, president of the Women Entrepreneurs Network for Development Association, said countries join various forums and platforms to retain and enhance their self-interest.

"We should look into how far we are trying to retain and enhance our self-interest when it comes to the BRI."

Nitol launches online car insurance

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"It is a milestone for the insurance sector," said Shafiqur Rahman Patwari, chairman of the Insurance Development and Regulatory Authority (IDRA), at the launch of Nirapod in Dhaka Club.

Patwari emphasised bringing in new products to the market so that the penetration rate of insurance can rise.

Sheikh Kabir Hossain, president of the Bangladesh Insurance Association, said the product is a new ray of hope for the insurance sector.

The insurance sector has been suffering from an image crisis for many years and people do not want to avail insurance policy, said Hossain, who is also the chairman of Sonar Bangla Insurance.

Abdul Matlub Ahmad, chairman of the

Nitol-Niloy Group, said the customers once complained that they had to suffer while getting their claim from insurance companies.

"But the situation has changed and people are coming to the insurance sector," he added.

Nitol Insurance, which is a publicly listed company, has around 25,000 clients.

KAM Monirul Hoque, chairman of Nitol Insurance; SM Mahabubul Karim, managing director; and Habibullah Dawn, president of the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida), also spoke at the event.

A preliminary agreement was signed between Nitol Insurance and Barvida after the launch of Nirapod to promote the insurance policy among car buyers.

Shafiqur Rahman Patwari, chairman of the Insurance Development and Regulatory Authority (IDRA); Abdul Matlub Ahmad, chairman of Nitol-Niloy Group; KAM Monirul Hoque, chairman of Nitol Insurance, and Sheikh Kabir Hossain, president of Bangladesh Insurance Association, attend the launch of Nitol Insurance's car insurance policy, Nirapod, at Dhaka Club yesterday. Story on B1

NITOL INSURANCE



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German manufacturing recession deepens

REUTERS, Berlin

A recession in Germany's manufacturing sector worsened in July with the performance of goods producers dropping to the lowest level in seven years, a survey showed on Wednesday, suggesting a deteriorating growth outlook for Europe's largest economy.

Markit's flash composite Purchasing Managers' Index (PMI), which tracks the manufacturing and services sectors that together account for more than two thirds of the economy, fell to 51.4 from 52.6 in the previous month. That undershot analysts' consensus forecast of 52.3 and was the lowest reading since March, though it still remained above the 50 mark that separates growth from contraction.

Businesses to get those at purchase price of Tk 32,000

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VAT is the biggest source of revenue, accounting for 37 percent of total annual tax collection, but taxmen and economists said the overall collection is less than the amount expected, given the level of economic activities.

The NBR said 25 types of businesses -- including corner shops, restaurants and clothing and furniture stores -- will have to use the EFDs to record their transactions automatically from this fiscal year.

The EFDs would be connected to the EFD management system at the NBR through the internet.

Initially, the NBR targeted November 1, 2018 to install the EFDs at stores but it could not complete its own preparations. The NBR floated the latest tender to buy the devices in December last year.

Kamal admitted the government is lagging behind.

Two lakh machines would be needed in the next two years, he

said, adding that manpower would be outsourced to provide support to businesses for maintenance.

"We will train them. So, we think we will not fail because the VAT rates that we have kept are one of the lowest in the world," he said, adding that the rates were fixed in line with the demands of the businesses.

He, however, said the goal of increasing revenue collection would not be attained without the support of the citizens.

Stocks fall back to depression

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Even more, the BSEC informed the institutional investors that it would monitor if they were supporting the market or not.

Institutional investors poured money whenever the market dropped yesterday, the market insiders said.

"We are keeping the request of the regulators and purchasing some shares considering their potential," said a top official of a leading merchant bank.

However, the merchant banker is also dreading the index fall further.

"We are keeping aside money to buy if the market falls further but we will not be able to provide support for a long time," he said requesting not to be named.

Of the traded issues yesterday, 143 advanced, 178 declined and 32 remained unchanged.

Meanwhile, retail investors yesterday demonstrated in front of the DSE building to ensure good governance in the listed companies and the stock market.

They also demanded implementation of all rules and regulations, including ensuring minimum shareholding by directors of listed companies. They have another 13 demands.

Square Pharmaceuticals dominated the turnover chart with its transaction of 5.83 lakh shares worth Tk 14.59 crore, followed by Bangladesh Shipping Corporation, United Power Generation, Fortune Shoes and Beacon Pharmaceuticals.

C&A Textiles was the day's best performer with its 10 percent gain, while Heidelberg Cement was the worst loser, shedding 8.74 percent.

Chattogram stocks rose with the bourse's benchmark index, CSCX, increasing 4.93 points, or 0.05 percent, to finish the day at 9,439.55.

Losers beat gainers as 134 declined and 126 advanced, while 15 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 78.33 lakh shares and mutual fund units worth Tk 16.68 crore.

Govt to buy gas from IOCs at Asian rate

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Under the existing model, the government purchases gas at \$2.9 per cubic feet from onshore IOCs.

There is no rate for offshore IOCs, but in the PSC model used in 2014 the price for offshore IOCs was: \$5 for shallow water and \$6.5 for deep sea, according to energy ministry officials.

"There were shortcomings in the previous PSC models -- there was no distinction between offshore and onshore. Now, we have separated the two. We have kept the price for onshore less than offshore as the cost for the latter is more," Kamal said.

Because of the shortcomings in the model, the government found no IOCs interested in offshore when it placed tenders, according to Kamal. "We will soon float tenders to award offshore blocks," he added.

Also at the meeting the committee approved the construction of Bay Terminal at Chattogram Port, which will be implemented under a public-private partnership.

PSA Singapore, a Singapore-based company, will invest \$2.5 billion to implement the project. Kamal said.

NetWorld to invest \$1m in Summit Technopolis

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The plant is likely to commence operations by early 2020.

Zunaid Ahmed Palak, state minister for ICT; Hosne Ara Begum, managing director of Bangladesh Hi-Tech Park Authority; Farid Khan, vice chairman of Summit; Fadiyah Khan, group director, were present at the signing ceremony.