ASIAN MARKETS

0.10%

TOKYO

0.06%



Social Islami Bank Limited



DHAKA MONDAY AUGUST 19, 2019, BHADRA 4, 1426 BS starbusiness@thedailystar.net

NGO aid rises on Rohingya crisis

\$58.64

MUHAMMAD ZAHIDUL ISLAM

STOCKS

0.29%

CSCX

0.36%

DSEX

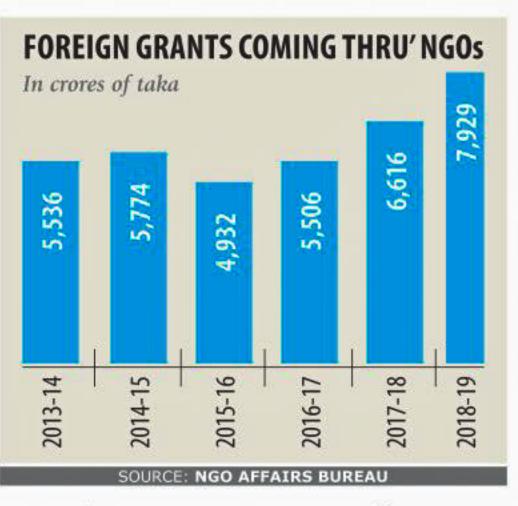
Foreign donations through the NGO Affairs Bureau soared 19.85 percent year-on-year to Tk 7,929.43 crore in fiscal 2018-19 on the back of rising humanitarian assistance for the Rohingyas.

COMMODITIES

Gold T

\$1,508.60

Of the sum, about Tk 2,600 crore were for Rohingya assistance mostly from Europe, said Md Shahadat Hossain, acting director general of NGO Affairs Bureau.



The funds were received by different nongovernmental organisations (NGOs) through the Bangladesh Bank upon getting clearance from the NGO Affairs Bureau.

The assistance for Rohingyas might be more as the funding received from UN agencies are





A view of the Rohingya camp in Cox's Bazar. Almost all the funds for Rohingyas were spent on their shelters, food and healthcare.

not included into the bureau's report.

Almost all the fund for Rohingyas were spent for making shelters, ensuring food, providing medical assistance and other essentials.

"We are closely monitoring the funds and found they are being spent in line with that," Hossain said.

Of the sum, Brac spent Tk 183 crore against 26 projects.

Action Contre La Faim spent Tk 170 crore, Oxfam Bangladesh Tk 165 core and Caritas Bangladesh Tk 103 crore last fiscal year for the development of Rohingyas who flee from Myanmar, according to bureau.

A senior official of the related desk said to support the sheer number of

Rohingyas large sums are needed and the aid received thus far is not sufficient.

CURRENCIES

BUY TK 83.50

Friday closings

SHANGHAI

V 0.29%

SINGAPORE

0.35%

"The Bangladesh government is also spending a huge amount," he added.

Previously, most of the funds that came to Bangladesh were for river erosion, skills development and to ensure quality education.

But in the last two years donors' focus has changed as the Bangladesh government has registered more than 10 lakh Rohingyas arrival in the country's southern district between 2017 and 2018.

To keep record of the Rohingyas, the bureau also assigned a senior official to check the project proposals and take initiative to release the funds as early as possible, Hossain said.

BB policy sparks flurry of loan write-offs

AKM ZAMIR UDDIN

...... Loan write-offs almost quadrupled in the first quarter of the year on the back of the central bank's easing of rules, in a sobering reminder of the banking sector's deteriorating financial health.

Between January and March, Tk 557.30 crore was written-off, in contrast to Tk 141.26 crore a year earlier, according to data from Bangladesh Bank.

Earlier in February, the central bank revised its policy to allow banks to write-off default loans that have been languishing in the bad category for three years, down from five years previously.

Furthermore, lenders do not have to file any case with the money loan court to write off delinquent loans worth Tk 2 lakh, up from Tk 50,000 previously. Banks usually write off a maximum

amount of default loans in the last quarter of the year with a view to cleaning up their balance sheets.

Between October and December last year, banks wrote off Tk 2,057 crore.

"But the write-offs in the first quarter were uncharacteristically high," said a central bank official, adding that it might continue for the rest of the year for the BB's policy relaxation.

Khondkar Ibrahim Khaled, a former deputy governor of the central bank, echoed the same. "The write-off policy is exercised by

almost all banks across the globe, but the trend is excessively high in Bangladesh. This is not good for the banks' health."

He went on to blame the high writeoffs on the surge in default loans -- in the absence of corporate governance.

At the end of March, default loans in banks stood at Tk 110,874 crore, up 25.15 percent year-on-year.

Of the banks that took the facility to clean up their balance sheets, Dutch-Bangla Bank topped the chart, writing off Tk 290.55 crore. It was followed by Jamuna Bank, which wrote off Tk 191 crore.

With the latest round, a total of Tk READ MORE ON B3 | 53,258 crore has been written-off since

the facility was introduced in January 2003 by the central bank to show lower amounts of default loans in banks' balance sheets.

Of the amount, 76 percent has remained outstanding to date, meaning banks' efforts to recover the loans did not yield much.

As of March, the state-owned banks have written off Tk 23,187 crore and private banks Tk 28,342 crore.

BANKS' WRITTEN OFF LOANS 2,057 In crore taka 615 557 JAN-APR-OCT-JAN-

SEP

The two state-run specialised banks, Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank, have written off Tk

DEC

MAR

provisioning. Banks though are obligated to continue with their recovery efforts. Lenders opt for write-offs when all

555 crore and foreign banks Tk 1,174 crore.

are written off after making 100 percent

As per the Bangladesh Bank norms, loans

avenues for recovering the default loans have been exhausted, Khaled said. Loan write-offs have gradually been

rising in recent years and the trend reflects the ongoing crisis in the banking sector.

"Written-off loans are like uncollectible loans -- the recovery of such loans is highly difficult."

Subsequently, he urged banks to check corruption such that vested quarters cannot take loans banking on the unethical

Pharma, energy lift stocks

STAR BUSINESS REPORT

Stocks edged up yesterday, buoyed by pharmaceutical and energy sectors, as the market opened after a nine-day vacation centring Eid-ul-Azha.

The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, gained 15.11 points, or 0.29 percent, to close at 5,216.53.

Market analysts said the index rose due to higher demand for pharmaceutical and energy stocks amid anticipation of the sectors generating higher incomes in the upcoming quarter.

Among the major sectors, both energy and pharmaceuticals rose 1 percent, according to IDLC Securities data.

However, the DSE's turnover was 21.2 percent lower than the Tk 323.70 crore recorded on the previous trading day.

A senior official of a merchant bank said the rise of the index on the opening day would leave a positive impact on investors' confidence.

Meanwhile, Bangladesh Bank is considering approving proposals for allowing ailing non-bank financial institutions (NBFIs) to issue bonds as a long-term measure

to fight the ongoing liquidity crisis, he said. Moreover, as an immediate measure, banks have been asked not to withdraw fixed deposits and other loans from the NBFIs. Investors might find it beneficial to observe how the BB chalks out plans to settle the issues with the ailing non-banks, he added.

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Vegetable exports rebound after four years

SOHEL PARVEZ

Fresh fruits and vegetables export bounced back in fiscal 2018-19, ending four straight years of slump, thanks to higher demand and efforts to improve farming and packaging practices in order to produce and ship disease-free crops.

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Shipment of fresh produce, including potato, rose 31 percent year-on-year to \$105.39 million in the last fiscal year, according to the Export Promotion Bureau (EPB).

In volume, exports of vegetables also soared, showed data compiled by the Plant Quarantine Wing of the Department of Agricultural Extension. Exporters shipped 17,487 tonnes of domestically grown vegetables, up 18 percent year-on-year.

Mohammed Monsur, general the regulators in the EU. secretary of the Bangladesh Fruits Vegetables & Allied Products Exporters' Association (BFVAPEA), attributed the reopening of exports to Europe in the last 7-8 months following a self-imposed ban by

Bangladesh for almost two years for the rebound.

Bangladesh is now shipping fresh produce by packaging them at the central packing house following guidelines for exports to the EU destinations, he said.

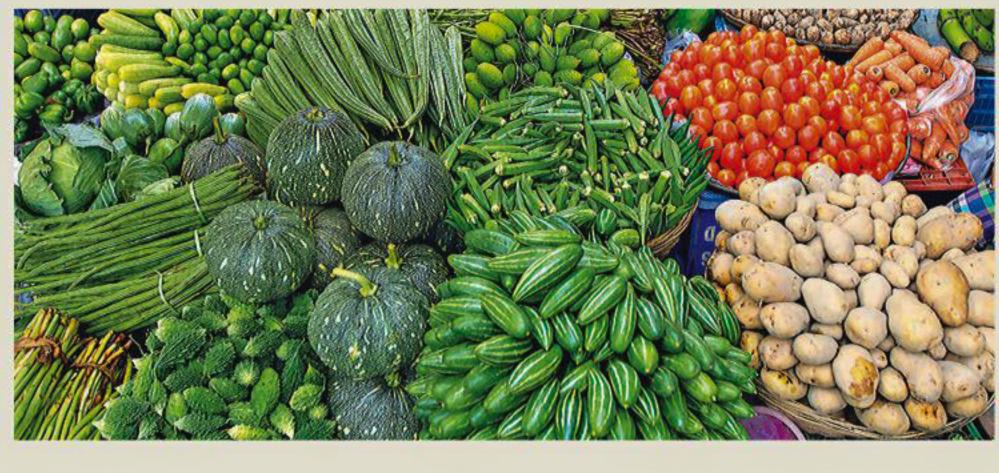
"It has improved our compliance a lot and our shipment has increased."

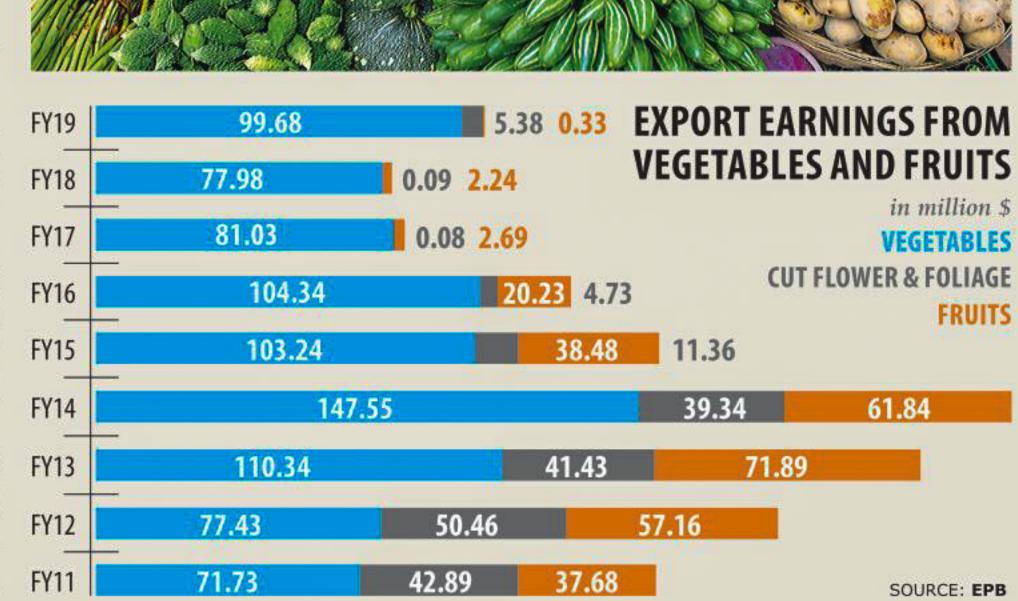
The Middle Eastern countries, home to more than five million Bangladeshi migrant workers, are the biggest destination for the vegetables and fruits grown in the country, followed by Europe.

But the shipment to Europe had come to a halt after the government voluntarily imposed the ban on the exports a couple of years ago in the face of repeated detection of pest in the consignment from Bangladesh by

The UK, Italy, Germany and France are the major markets for locally grown vegetables and fruits because of the demand from Bangladeshi migrants living there.

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AC sales soar on hot weather

IAGARAN CHAKMA

Air conditioner sellers have posted strong sales amid persistent hot weather throughout the entire period of April-July and rising disposable income of people.

Equated monthly instalment (EMI) facility and availability of electricity also fuelled sales of the appliances once seen as a luxury, according to market players.

The sales were so high that some retailers at one point failed to provide consumers with the required models of ACs as those went out of stock.

Samsung posted a 200 percent yearon-year sales growth in June while Transtec clocked over 200 percent growth. Walton pulled off 180 percent

sales growth, Esquire Electronics 250 percent and Pran-RFL's Vision brand about 150 percent. April, May and June are the

ACs are sold during the months. The 1.5-tonne and 2-tonne non-

demand for the two segments.

inverter and inverter ACs of Transtec CAMSUNG

STAR/FILE

A sales executive briefs potential customers on air conditioners at an peak season for AC retailers as outlet of home appliances in Dhaka.

temperature starts to climb from and Sharp of Esquire Electronics expectation. Our stock of 1.5-tonne March. Nearly 90 percent of the were out of stock for around three and 2-tonne Sharp AC was sold weeks in June thanks to the huge out before June 15," said Md Manzurul Karim, general manager "The sales exceeded our of Esquire Electronics, the authorised sole distributor of Japanese giant electronics brands General and Sharp.

He said the sales of non-inverter AC of both brands have increased thanks to the increasing income of the middle class. The affluent class prefer inverter AC than the noninverter ones for better performance and energy-saving feature.

Transtec's 1.5-tonne inverter AC was out of stock for around three weeks in June, said Md Nahid Hassan, marketing manager of Transcom Digital, which owns Transtec brand. Digital, Transcom which

retails ACs of Hitachi, Panasonic, Whirlpool, Samsung and Transtec brands, replenished the stock of 1.5-tonne and 2-tonne inverter ACs in the first week of July, he said.

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Govt to take Tk 115cr project for land surveys

Country to come under a global navigation satellite

STAR BUSINESS REPORT

The government will bring the whole with better accuracy all geodetic control country under a Global Navigation Satellite System (GNSS) by 2020 to conduct accurate land surveys and prepare databases on land management.

A project styled "Expansion of GNSS network and modernisation of tidal station" involving Tk 115 crore will be tabled at a meeting of the Executive Committee of National Economic Council tomorrow. Of the cost, the Japan International

Cooperation Agency will provide Tk 97 crore as grant.

The project proposal says sophisticated technology will be used to carry out land surveys in order to prepare accurate databases for land management,

infrastructure development and planning. This project will help monitor tectonic

plate movements, predict earthquake vulnerability of different areas, and update networks (an aid to measuring land surface features)

It will also help precisely detect land displacement and subsidence after major disasters and aid damage assessments.

The proposal said updating thematic maps and topographic data using sophisticated technology was very vital as land usage patterns were changing rapidly due to continuous urbanisation and industrialisation.

Using the GNSS data, the Bangladesh Meteorological Department will be able to make more precise and real-time weather forecasts while the Land Record and Survey Department can prepare meticulous digital maps very easily and quickly.

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