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৯.২৫%	৯.৫০%	১০%

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ONE YEAR OF CHINA BOURSES IN DSE

## No tech transfer from consortium yet

**AHSAN HABIB**

Almost one year has elapsed since a Chinese consortium bought 25 percent stake of the Dhaka Stock Exchange but the strategic partnership is yet to bear fruit.

The consortium of the Shenzhen Stock Exchange and the Shanghai Stock Exchange, which forked out Tk 947 crore for the stake, had promised sweeping technological upgrades.

It gave hopes to stock investors of an electronic information disclosure platform, where the listed companies' corporate information, simple analytical tools, interactive question and answer facility, and online complaint portal could be found.

The consortium had also agreed to provide matching engine, surveillance software, and advanced business reporting language.

But nothing has come thus far.

Subsequently, the DSE has now decided

**ACHIEVEMENTS**

- Committees have been formed to fix priorities on what to use/adopt
- Chinese software translated into English

**UNMET EXPECTATIONS**

- The consortium is yet to assist in mapping information disclosure process for issuers
- Little has happened for developing the bond market
- Slow progress in product diversification
- Firms yet to start placing financial reports to DSE online

So far, the Chinese consortium has just changed the language of their software.

"But, we are yet to use the software because we need more time to analyse whether we need the technology. If the technology is found to be suitable we will have to train all stakeholders."

Patwary, who is also the chief financial officer of the DSE, said the bourse has a shortage of efficient workforce.

On this ground, the DSE has recruited some officials recently and is trying to appoint a chief operating officer.

"There is a dearth of experienced people who can work at a higher position of a stock exchange," he added.

A top official of a leading merchant bank said the DSE should take initiative to materialise the promises of technological advancement so that general investors get a boost in confidence.

"We have to act fast. The onus is on us as it is us who need the technology, not them."

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## Chinese companies coming in droves

Nasrul Hamid says the power sector alone deals with at least 20 Chinese firms every week

**STAR BUSINESS REPORT**

Chinese investors are coming in thick and fast with at least 20 companies contacting the power sector alone every week, said Nasrul Hamid, state minister for power, energy and mineral resources, yesterday.

Over the past five to six years China gathered vast experience on cheap, clean and renewable energy, something Bangladesh has been transitioning into, for which their companies are exploring investment opportunities here, he said.

Chinese investors are relocating their industrial and manufacturing units here mainly to address high production costs and shortages of skilled manpower, he told a seminar on China-Bangladesh Investment Facilitation at The Westin Dhaka.

PricewaterhouseCoopers (PwC) organised the seminar moderated by Mamun Rashid, managing partner of PwC Bangladesh, and attended by businesspeople, investors, bankers, trade analysts and government high-ups of both countries.

Of the investment from China, over 80 percent has been made in Bangladesh's power sector, said Hamid. William Yuan, partner, Global China Business Network, PwC China, echoed this.

The US-China trade war has also helped, turning Bangladesh into an investment

destination for Chinese firms, Yuan said.

Moreover, improved infrastructure, a wide consumer base and establishment of economic zones have created interest among Chinese investors, Yuan added.

Naser Ezzaz Bijoy, CEO of Standard Chartered Bangladesh, said Bangladesh would require \$3 trillion to become a developed country by 2041. It is possible to become such a big economy within the stipulated timeframe if the country can attract more foreign direct investment, he said.

Bijoy said Bangladesh needed to invest more in infrastructure and improve the stock market as its current contribution to the economy was 18 percent. He also advised issuance of sovereign bonds.

Abul Kalam Azad, chief coordinator for Sustainable Development Goals at the Prime Minister's Office, urged Chinese investors avail incentives provided by the government.

Planning Minister MA Mannan unveiled a report of the PwC titled "Destination Bangladesh" with others at the seminar.

Francois de Maricourt, CEO of HSBC Bangladesh; Sushmita Basu, partner, tax and regulatory of PwC India; Sanjeev Krishan, deals leader of PwC India and PwC Bangladesh; Franklin (Liming) Zhai of PwC China; and Mahbub Uz Zaman, Bangladesh's ambassador to China, also spoke.

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to form a committee to work out how it can extract benefits from the consortium. Another committee has been formed by the Chinese consortium.

"How the Chinese consortium can provide the technologies and how we can receive them will be analysed by the committees," said Abdul Matin Patwary, acting managing director of the DSE.

## Japan to hire skilled workers from Bangladesh

**STAR BUSINESS REPORT**

Japan yesterday agreed to take specified skilled workers (SSW) from Bangladesh in 14 fields under two categories within the next five years.

To get selected as an SSW, Bangladeshi people have to pass Japanese language proficiency test and skills proficiency test at first, the Bangladesh embassy in Tokyo said in a statement.

Foreign nationals who have completed technical intern training are exempted from taking exams and a good number of SSW will be recruited from them, it said.

Bangladesh is the ninth nation that signed a memorandum of cooperation with Japan to send such workers, according to the statement.

Rownaq Jahan, expatriates' welfare and overseas employment secretary, and Shoko Sasaki, commissioner of the immigration services agency, signed the MoC in this regard at Japan's immigration service agency in Tokyo.

The specified skilled workers' (category 1) contract can be renewed for five years if they pass a Japanese language test and have a certain skill level in their designated field. But in principle they are not allowed to bring their families to Japan.

Contracts for the specified skilled workers (category-II) can be renewed indefinitely once they are employed with higher skill levels than specified skilled workers (category-I) and are permitted to bring their spouses and children along.

The MoC will create opportunity to send specified skilled workers from Bangladesh to Japan under certain terms and conditions and both the countries will be mutually benefitted, Jahan said.

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## Prudent credit practices to help banks lower lending rates: BIBM

**STAR BUSINESS REPORT**

Prudent borrower selection and credit practices may help banks lower the lending rates, according to a study of Bangladesh Institute of Bank Management (BIBM).

The findings of the study titled "Interest rate and expansion of bank credit" were disclosed at a roundtable held at the BIBM yesterday.

"High interest rate increases the production cost, which negatively affects the competitiveness of the export-oriented firms. So, the lending rate should be reduced to a reasonable level," said Nehal Ahmed, the lead author of the study.

Ahmed said adoption of modern technology in the banking operation will not only reduce the operating cost through increased efficiency but also enhance the customer satisfaction through quick delivery of services.

Many banks lend beyond their capacity just to make profits, said Helal Ahmed Chowdhury, supernumerary professor of BIBM.

"Efficient treasury management can help banks to reduce the interest rates."

Barkat-e-Khuda, a professor of BIBM, chaired the discussion attended by Md Nazimuddin, executive director of Bangladesh Bank and director general of BIBM, as the chief guest.



Barkat-e-Khuda, third from right, a professor of the BIBM, presides over a roundtable on "Interest rate and expansion of bank credit" at the BIBM office in Dhaka yesterday.

Prashanta Kumar Banerjee, professor and director of BIBM, delivered the welcome speech where senior bank executives and academicians were also present.

Nazimuddin said the government, Bangladesh Bank, commercial banks and the business community have been debating on the issue of capping interest rates, both for deposit and lending.

"For the betterment of an economy, it is believed that a country should

## Truck terminal to be built at Benapole port

**STAR BUSINESS REPORT**

The government plans to build a cargo vehicle terminal at a cost of Tk 290 crore at Benapole port to create a new parking space for goods-laden trucks.

The terminal to be built over 29.10 acres of land will be able to accommodate 1,250 trucks at a time and the project will be completed by June 2021.

The Executive Committee of National Economic Council (Ecne) yesterday approved the project styled "Construction of cargo vehicle terminal at Benapole" in a meeting in the city's Sher-e-Bangla Nagar with Prime Minister Sheikh Hasina in the chair.

According to the project document, the port handles 80 percent or Tk 20,000 crore worth of the cross-border trade between Bangladesh and India every year.

At least 500 Indian and 600 Bangladeshi trucks use the Benapole port every day, which are compelled to park on the port's adjacent roads due to a lack of parking space, obstructing overall trade activities.

That is why building of a new vehicle terminal has become a must now for the country's largest land port from which the state coffers earn Tk 4,000 crore in revenue every year, according to project papers.

On the day, the Ecne approved a total of 12 projects, involving Tk 5,494 crore. Of them, five projects are revised.

One of the revised projects—Road widening and development of ECB intersection to Mirpur and construction of flyover at Kalshi intersection—was tabled for the revision within a year of the start of the implementation work.

The Ecne extended the project by one and a half years to till June 2021 from December 2019 and revised up the cost by 65 percent to Tk 1,012 crore from Tk 612 crore now.

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## Gaibandha rawhide traders face huge losses

**OUR CORRESPONDENT, Gaibandha**

Although they collected the rawhides of cows and goats slaughtered more than two weeks ago, poor purchases and sales were still noticeable on the last market day, Saturday.

Vendors brought their stocks to the largest rawhide market in northern Bangladesh but buyers were not in the mood to make bulk purchases, upsetting many vendors.

This is just the opposite of the customary practice. In the past, agents of tanners and wholesalers used to through the market to procure hides at fair prices.

Cow skin was sold for Tk 1,500 to Tk 2,000 and goat skin Tk 200 to Tk 300 per piece in previous years. But this year, cow skin is being sold at Tk 250 to Tk 400 per piece and goat skin Tk 5 to Tk 15, said Ramjan Ali, a middleman from Kumarpur.

Seventy-year old Badsha Bepari, a rawhide trader from Taluk Haridas village in the upazila, said he has been in the rawhide trade since the country's independence, going door to door to buy hides and processing those with salt before selling those at higher rates during Eid-ul-Azha.

"What happened this time was unimaginable. The price has fallen drastically. I have never seen such a price fall."



**Sparse presence of buyers has caused rawhide prices to crash in Kalibari market of Palashbari upazila in Gaibandha, creating apprehensions of losses among small traders.**

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Seoul	BDT 57,285	BDT 109,880	BDT 129,815
London	BDT 61,975	BDT 130,485	BDT 240,950
Los Angeles	BDT 64,990	BDT 129,310	BDT 292,290
Sydney	BDT 65,745	BDT 131,320	BDT 184,755
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