ASIAN MARKETS

0.11%

\$60.60

DHAKA THURSDAY AUGUST 29, 2019, BHADRA 14, 1426 BS starbusiness@thedailystar.net

Option open for importing LNG from spot market

COMMODITIES

Gold 4

\$1,541.00

STAR BUSINESS REPORT

STOCKS

0.74%

DSEX

CSCX

V 0.56%

....... The government yesterday gave the green light to liquefied natural gas (LNG) purchase from the global spot market as it Co Inc. looks to ensure an uninterrupted supply for the fast-growing economy.

At present, the government purchases LNG under long-term agreements from Qatar and Oman, and given the rise in geopolitical tension in the region there are risks of supply disruptions.

Now, thanks to the decision taken by the cabinet committee on purchase, the government has the option to purchase LNG from the spot market, which is a public financial market in which financial instruments or commodities are traded for immediate delivery, in the event of supply disruptions arising out of an outbreak of war in the region.

As per the spot market policy on LNG import, the government can purchase LNG from 17 companies at rates prevailing in the global spot market, according to Finance Minister AHM Mustafa Kamal, who chaired the meeting from where the decision came.

Of the companies, six are from Singapore and four from Japan.

The Japanese firms are Mitsui & Co, Marubeni Corporation, Osaka Gas and Jera

The Singaporean companies are Diamond Gas International, Vitol Asia, Trafigura, Gazprom Marketing & Trading Singapore, Cheniere Marketing LLP and Chevron USA Inc, Singapore.

The other companies are AOT Trading AG from Switzerland, Summit Corporation & Summit Oil and Shipping, Excelerate Energy Limited Partnership from the US, Woodside Petroleum Australia, Eni SPA Italy, Petronas LNG, and China National Offshore Oil Corporation Gas and Power Trading and Marketing Ltd. The committee also approved the

container handling at the Chattogram Bandar Terminal operation for Tk 303.99 crore for six years. Although four companies primarily purchased the tender documents, only

tender."

proposal of Saif Powertec for cargo and

Saif Powertec participated in the bidding, Kamal said. "As a result, this company was awarded the

> Usually, the government outsourcing appoints companies for handling cargoes and containers at the port. However, in future, the government will handle the activities by itself, the minister said.

READ MORE ON B3

JV gets nod to launch MFS

SHANGHAI

V 0.29%

SINGAPORE

0.36%

MUHAMMAD ZAHIDUL ISLAM

A joint venture of Trust Bank and Malaysia's Axiata Group is set to roll out a new kind of mobile financial service in Bangladesh after it received a no-objection certificate from the central bank yesterday.

CURRENCIES

BUY TK 83.50

The Kuala Lumpur-based group is the parent company of Bangladesh's second largest mobile phone operator Robi and controls 68.7 percent stake. Robi has 4.79 crore active subscribers. Axiata Digital Ltd, the digital services arm of the

group, has partnered with Trust Bank Limited, a private commercial bank, to join the growing MFS sector. The joint venture is planning to promote wallet-based services, which will ultimately help expedite financial

inclusion in the country, Faruq Mainuddin Ahmed, managing director of Trust Bank, told The Daily Star yesterday. In 2015 both parties reached a consensus and decided

to form a joint venture company styled Trust Axiata Digital Ltd, where the bank would hold 51 percent stake. The entity's initial paid-up capital has been proposed to

be Tk 45 crore. Axiata Digital currently offers digital financial services

in Malaysia, Sri Lanka, Cambodia and Indonesia - the countries where Axiata Group has mobile business. In these markets, Axiata Digital is offering various savings products and fixed deposit. Even customers can get business loans through accounts.

As mobile phone operators in Bangladesh can not run MFS on their own, Robi has not been part of the joint

A senior official of Trust Bank says they have got a year and within the timeframe they will get the joint venture registered. The board will comprise four members from the bank and three from Axiata.

He also said some senior officials from Axiata Digital will come to Dhaka to design products.

Of the 57 banks in Bangladesh, only Brac Bank has set up a subsidiary, bKash, to operate MFS.

Currently, there are 16 MFS providers in the country. As of June, there were 7.21 crore registered MFS accounts. Of them, 3.24 crore are active users.

READ MORE ON B3

Axiata-Trust Bank Govt to push Facebook for opening Dhaka office

Facebook officials to meet minister over VAT

STAR BUSINESS REPORT

Bangladesh will insist on Facebook opening an office in Dhaka and getting a VAT registration from the National Board of Revenue when the government meets with officials of the social media giant in September, Post and Telecom Minister Mustafa Jabbar said yesterday.

Facebook has approached the government for a meeting to sort out some national security will also be discussed at

"Bangladesh has become a very important market for Facebook as already three crore users are connected with the platform and they are earning huge amounts from here."

Facebook's Bangla language team will also be present at the meeting, Jabbar said, adding that law enforcement officials would be asked to attend too.

Matters pertaining to data privacy and



burning issues, he said at a meeting of the Cyber Threat Detection and Response project of the Department of Telecom.

A committee has been formed to do some homework before the meeting, which would be between September 21 and 23.

After the meeting the telecom minister told The Daily Star that they will discuss security and tax-related issues at the meeting and ask them to set up an office in Dhaka as soon as possible.

the meeting.

In the last budget the NBR has stipulated that all social media platforms set up an office in Bangladesh or appoint an agent to ensure 15 percent value-added tax and 4 percent advance income tax are paid to its coffer.

The size of the digital advertisement market in Bangladesh is about Tk 2,000 crore and almost half of it goes to Facebook, according to market sources.

Big push for renewable energy

© 01713656565

Dhaka, Beijing sign deal for 500MW projects

STAR BUSINESS REPORT

STAR BUSINESS REPORT

from borrowing.

Tk 561 crore.

Bank official said.

percent year-on-year.

sudden floods hit the areas, a Bangladesh

This prompted the central bank to

instruct banks to stop their farm loan

recovery programme for the time being

Introducing

Matt Wall Tiles

Series

30x60cm

Rustic Punch

State-owned North-West Power Generation Company Ltd has signed a memorandum of understanding with China's state-run China National Machinery Import and Export Corporation (CMC) to develop renewable energy-based power plant projects with a generation capacity totalling 500-megawatt.

The proposed plants to be developed include a Sirajganj 100MW grid-connected photovoltaic solar power plant, Pabna 60MW grid-connected PV plant, Payra 50MW wind power plant, and some other projects of a combined generation capacity of 290MW.

The NWPGCL and the CMC will have 50-50 equity in the proposed joint venture, according to the MoU which was signed at a programme at InterContinental Dhaka on Tuesday.

The joint venture entity will work for quick project financing and securing foreign direct investment, according to a statement circulated at the event.

Addressing the ceremony, Prime Minister's Energy Adviser Tawfig-e-Elahi Chowdhury welcomed the partnership between Dhaka and Beijing in development of renewable energy.

He urged both companies to utilise the country's land in implementing the project.

NWPGCL Managing Director Md Khurshedul Alam and CMC Chairman Ruan Guang inked the MoU. Power Secretary Ahmad Kaikaus and Bangladesh Power Development Board Chairman Khaled Mahmood also spoke on the occasion.

READ MORE ON B3

New era begins in livestock insurance

Brac Bank, Green Delta roll out pilot scheme

STAR BUSINESS REPORT

Green Delta Insurance and Brac Bank yesterday rolled out the country's first-ever livestock insurance for cattle farmers on a pilot basis, a development that can go on to become a game changer for the cattle industry.

The loan-based product, which is backed by insurance, will be piloted for one year on 400 farmers across the country. Disability, death and pregnancy-

related complexities of cattle would be under insurance coverage and premium of the insurance would be 3 percent of the assumed value of the livestock.

Farmers who take loans from Brac Bank for their livestock would be able to take the insurance coverage.

"Through the pilot project, we will get ideas on how to run it in a sustainable way," said Farzana Chowdhury, chief executive officer of Green Delta Insurance.

She acknowledged there is a negative perception among people about insurers' claim settlement.

"We want to remove the negative perception and stand with the agricultural sector with this product," she said, adding that their experience of weather-based crop insurance will be helpful in designing the product.

Green Delta began a weather indexbased crop insurance in 2016. It has been insuring around 10,000 farmers

Farm loan disbursement falls 15pc

Flood-hit farmers in northern districts and haor areas refrained from borrowing



The insurance scheme can go on to become a game changer for the livestock industry.

in several crops and settled claims to

2,200 farmers for unseasonal excess rainfall, cyclone signal and cold spell on different seasonal crops.

launched in 1970 by Sadharan Bima Corporation but it was nipped in the bud due to the absence of technology, said Gokul Chand Das, member of the Insurance Development Authority.

"Sadharan Bima did not have this technology, so claim settlement system was complex," he said, adding that all the cattle will be traced by an

The insurer will hang a chip around the neck of the cattle. The chip will provide a host of information Cattle insurance was first including health data and picture of the cattle.

> "Claim settlement would be easier with the new technology."

> Das recommends articulating the conditions for insurance coverage in a lucid manner to farmers. "Only then will it be a trustworthy product," he

and adopt a relaxed rescheduling facility

READ MORE ON B3

Govt seeks to jack up trade with Latin America

STAR BUSINESS REPORT

Bangladesh wants to grab more of the market share in some Latin American countries where demand for locally made products, especially apparel, is growing for competitive

prices, said Commerce Minister Tipu Munshi yesterday. There are 30 crore customers in Brazil, Argentina, Uruguay and Paraguay, accounting for a combined \$4 trillion economy, he said, adding that Bangladesh has huge export potential in the region.

So, the government is planning to sign a free trade agreement (FTA) with this group of countries to facilitate exports from Bangladesh, the minister said at a press conference at his secretariat office in Dhaka upon returning

from a visit to those countries. The minister was accompanied by a business delegation during the visit last week which mainly aimed at exploring

the South American markets for Bangladeshi products. READ MORE ON B3



RSRM reduces price of rights shares

Ratanpur Steel Re-Rolling Mills (RSRM) has decided to reduce the issue price of their proposed rights shares to Tk 15 each (including premium of Tk 5) instead of Tk 20, which was recommended earlier, subject to the approval of shareholders.

It is going to issue two rights shares against every three shares.

Indo-Bangla Pharma to raise production capacity

Indo-Bangla Pharmaceuticals has entered into a manufacturing agreement with RHK Global (HK), Hong Kong under which Super Tramex-100mg tablets will be

Every year 120 crore tablets will be produced, which is

Navana Limited

produced in the former's plant. Banks have been also asked to disburse fresh loans to restore momentum in projected to generate Tk 60 crore in revenues. agricultural production. "We hope that farm loan disbursement will get tempo within the shortest possible time because of the collective efforts taken by both the central bank and MTB Navana Car Festival banks," the central banker said. The BB has set a farm loan disbursement Exclusive Cash Discount for MTB Customers target of Tk 24,124 crore for the fiscal 50% Discount on processing fee Special Interest Rate year. Ten private banks out of 46 did not disburse any farm loans last month. Private lenders usually give out farm loans through non-governmental organisations (NGOs). But NGOs

for the affected farmers.

Agriculture credit disbursement fell 15.11 percent year-on-year to Tk 977 crore in July as flood-hit farmers from northern districts and haor areas have refrained In the first month of the fiscal year, eight state-run banks collectively lent Tk 415 crore in agriculture loans, down 13 Farm loan disbursement by private and foreign banks fell 28.30 percent to Agriculture activities in 24 districts almost came to a halt last month as

Farm loan disbursement will speed up soon because of the collective efforts by the Bangladesh Bank and commercial banks, a central bank official said.

themselves faced difficulties in continuing the disbursement in the flood-affected zones, the BB official said.