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ইসলামী শরীয়া'র এর মুরাযাফা
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IMF voices concern over high stressed loans

Concludes 2019 Article IV consultation

MD FAZLUR RAHMAN
The executive board of the International Monetary Fund has expressed concern about the continued weak financial situation in the banking sector in Bangladesh, including high default loans and the rising amount of restructured and rescheduled loans.

commercial banks, tighten the criteria for loan rescheduling and restructuring, strengthen banks' corporate governance and enhance legal systems to accelerate loan recovery," the lender said in a statement.
On September 9, the board concluded the Article IV consultation with Bangladesh.
During an Article IV consultation, an IMF team of economists visits a country to assess economic and financial

June 16-27. The report of the staff team, which was led by Daisaku Kihara, was completed on August 5.
The staff report said the ratio of default loans has increased from 9.3 percent at the end of 2017 to 10.3 percent at the end of 2018. Most of the default loans are in state-owned commercial banks (SoCBs).
The published default loan ratio likely underestimates potential problems in the banking sector, it said.
There has been a growing trend of loan rescheduling and restructuring, including those granted by the Bangladesh Bank on individual basis, though the central bank requires banks to keep provisioning for these loans.

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developments and discuss the country's economic and financial policies with government and central bank officials.
The discussions took place in Dhaka during

total stressed loans, which include default, restructured and rescheduled loans, now exceed 20 percent of total loans.
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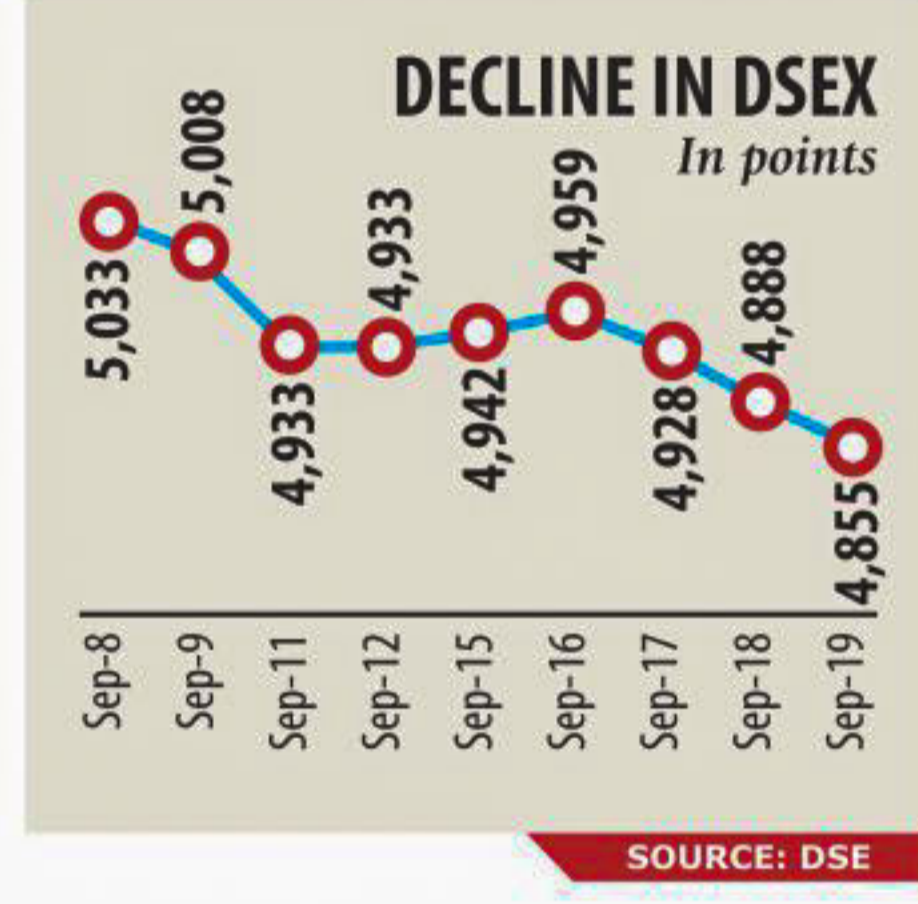
Ahsan H Mansur, executive director of the PRI; Yasunori Takeuchi, CEO of Standard Chartered Japan; Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh; and Brig Gen (Retd) Shahedul Anam Khan, associate editor of The Daily Star, attend a roundtable on "Bangladesh as the next destination: Deepening economic ties with Japan", jointly organised by the bank and the English daily at The Daily Star Centre in Dhaka yesterday. Story on Page 1.

Stocks bleed despite GP surge

Foreign investors lead the sell-off

STAR BUSINESS REPORT
Stocks extended their losses for the third consecutive day as nervous foreign investors continued to dump their shares anticipating further depreciation of the taka.
Though heavyweight Grameenphone added 57 points upon positive developments on its audit claim, the benchmark index of the Dhaka bourse shed 32.03 points or 0.65 percent to close at 4,855.98 -- the lowest since December 6, 2016.
In the last three days, the index sank 104 points and investors lost Tk 2,463 crore.
The major contributors to yesterday's slump were Square Pharmaceuticals, United Power, Renata, Marico, BATBC and Berger, all of which have substantial foreign shareholders. They snatched 20 points from the DSEX.
Grameenphone, the largest listed company on the Dhaka Stock Exchange, rose 8.72 percent -- the highest yesterday -- to Tk 335 after Finance Minister AHM Mustafa Kamal stepped in on Wednesday to broker a truce between the Bangladesh Telecommunication Regulatory Commission and Grameenphone and Robi.
"Another way of looking at yesterday's development is that Grameenphone saved the market from registering an even bigger fall," said the head of research of a leading merchant bank requesting anonymity.
Foreign investors started offloading their shares from March fearing further

depreciation of the local currency.
Taka depreciated about 0.66 percent this year against the dollar, but foreign investors expect the local currency to sink even deeper in the days ahead.
"Foreign investors dumped their shares, so most of the multinational companies



and well-performing stocks sank, which ultimately dragged down the index," he added.
Besides, retail investors have been swept up by the overriding pessimism in recent weeks, so they are offloading their holdings to avoid further losses on their portfolio, according to International Leasing Securities Limited's daily market analysis.
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Onion still skyrocketing

SOHEL PARVEZ

Onion prices kept surging yesterday despite measures and promises from the government to cool down the market of the essential cooking ingredient.
Yesterday, the price of the pungent bulb rose at wholesale markets which are likely to push up the retail rates further.
Onion prices jumped in Indian wholesale markets in the last two days, resulting in a hike in its cost of import to Bangladesh, said Dipankar Ghosh, port organising secretary of the Bhomra Clearing and Forwarding Agents.
Indian onions were traded at Tk 65-67 a kilo yesterday, up from Tk 57-58 the previous day at Bhomra, one of the main land ports to bring in onion from India, he said.
Ghosh said prices of onion were quoted at 51-52 Indian rupees a kilo at Maharashtra's Nashik district from 40-41 rupees on Tuesday.
The inter-bank exchange rate was about Tk 1.18 per Indian rupee yesterday, according to the central bank.
Rainfall has affected the onion crop in the neighbouring country, leading to the skyrocketing of the prices there too, he said.
To curb the price hike, India fixed \$850 (Tk 71,821) per tonne as minimum export price on September 13.
The price restriction heated up the onion market in Bangladesh as the country meets a portion of its annual demand through imports because of inadequate domestic production.
Traders earlier said onion production also suffered locally because of rains during harvesting season.
Since September 13, prices of onions increased 28 percent to Tk 58-Tk 70 yesterday from Tk 45-Tk 55, according to the state-run Trading Corporation of Bangladesh (TCB).
The surging prices raised concerns among consumers with the TCB beginning open market sales of the tuber at Tk 45 per kilo through five mobile vans in Dhaka.
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US to help fight money laundering: envoy

STAR BUSINESS REPORT

US Ambassador Earl R Miller yesterday said his country would continue to support Bangladesh in tackling money laundering and terrorist financing and strengthen the rule of law on the issue.
"It is not enough to adopt strong laws prohibiting money laundering

Crimes: Investigation and Prosecution" at Hotel Amari in Dhaka.
Miller said stopping the flow of money to terrorists takes a regional and international effort.
"So, it is fitting we hold this workshop in Bangladesh, the co-chair of the Asia/Pacific Group on Money Laundering for the 2018-2020 term."
He said many of these programmes have been jointly sponsored with the BFIU because of a common goal, which was preventing terrorism by way of identifying and choking off financial support for terrorists and their organisations.
"Together, we are working to build strong legal institutions that respect the rule of law and are, in turn, respected by our fellow citizens. It is what they expect; it is what they deserve."
Through joint practical, hands on training like this, prosecutors, investigators, and regulators get to know each other and the unique and crucial role they play, according to the US ambassador to Bangladesh.
"And this is critical because terrorists are becoming more sophisticated all the time."
"They are using methods and tools such as cryptocurrency, which you will hear about during this workshop. To stay ahead we must work smarter; we must work together and combine our knowledge and skills."
Financial crime is a severe problem for any economy, which may collapse the entire state system, said Abu Hena Mohd Razee Hassan, head of the BFIU.
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US Ambassador Earl R Miller

First coal-laden vessel arrives in Payra port

OUR CORRESPONDENT, Patuakhali

A vessel laden with 20,000 tonnes of coal reached the jetty of the Payra port yesterday for the first time in the history of the port.
"It is a memorable day for us as it has been the first coal vessel to reach the jetty of our seaport," said Commodore Md Saidur Rahman, a member for harbour and marine at the Payra Port Authority (PPA).
The PPA managed all the works related to bringing the coal from Indonesia to Bangladesh, he said.
"The efforts would give a boost to the steps taken by the government to speed up industrialisation in the area."
Bangladesh's Bencon Seatrans Ltd imported the coal as port agent with the help of Germany's Oldendorff Carriers Ltd through Xin Hai Tong 8, a bulk carrier of Hong Kong.
Mohammad A Malek, managing director of Bencon Seatrans, said his company would import all the coal needed for the Payra power plant through the port.
Bangladesh-China Power Company (Pvt) Ltd (BCPCL), a joint venture, would import 40 lakh tonnes of coal through Payra, which will boost the port's earnings, Rahman said.
"No pollution will occur in the process of coal import. There will be cover on both the conveyor belt and coal to ensure that the environment



The Hong Kongese vessel Xin Hai Tong 8 is seen anchored at the jetty of Payra seaport yesterday.

remains unharmed," said AM Khorshedul Alam, BCPCL's managing director.
Three more coal-laden vessels will reach the port on September 25 and 26, Alam told journalists at an event on the occasion yesterday.
"Regular coal import will start from the first week of October."
The power plant will start functioning as soon as coals reach Payra port, he said.
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DHL raises shipment price by 4.9pc

STAR BUSINESS DESK

Global express service provider DHL Express has announced a 4.9 percent year-on-year rise in average shipment price with effect from January 1 next year as part of its annual price adjustment.
"The annual price adjustment allows us to invest in our infrastructure," said Md Miarul Haque, country manager of DHL Express Bangladesh.
The adjustment enables DHL to utilise innovative technologies and individual delivery processes to ensure best-in-class customer solutions, the company quoted Haque as saying in a statement.
"It is our goal at DHL Express to support our customers in reaching their business goals by tailoring our services to the needs of their business."
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Supply chain finance portfolio only Tk 870cr

STAR BUSINESS REPORT

Supply chains in Bangladesh have so far received only Tk 870 crore in financing, 90 percent of which came from non-bank financial institutions (NBFIs) and the rest from banks, said SM Moniruzzaman, deputy governor of Bangladesh Bank, yesterday.
"Bangladesh Bank is always positive in launching new financial services for the benefit of the financial sector," he told a discussion on supply chain finance in Bangladesh organised by the Bangladesh Institute of Bank Management (BIBM) on its premises.
"But we must be sure about the pros and cons, simplicity and risk factors and necessary process before launching any new financial services," he added at the programme chaired by Prof Barkat-e-Khuda.
Prof Prashanta Kumar Banerjee, director of the BIBM, presented a paper on the topic. He said a joint initiative of Bangladesh Supply Chain Management Society, banks, NBFIs, different chambers and SME Foundation could create awareness on the issue.
A strong alliance can be formed to raise awareness, particularly among corporate houses, about the necessity and benefits of supply chain financing, he added.
Barkat-e-Khuda said supply chain financing would help to achieve sustainable goals.
Helal Ahmed Chowdhury, supernumerary professor of the BIBM, Yeasin Ali, a former supernumerary professor, and Dong Gong Zhang, principal financial sector specialist of Asian Development Bank, also spoke among others at the event.