

এসআইবিএল
সুপার ডিপিএস
বিশেষ সঞ্চয় কিম
প্রাক্কলিত মুনাফা:
৩ বছর ৩.২৫%
৫ বছর ৩.৫০%
১০ বছর ১০%

ইসলামী শরীআত এর মুরাফা
নীতির ভিত্তিতে পরিচালিত।

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Social Islami Bank Limited

Star BUSINESS

DHAKA MONDAY SEPTEMBER 23, 2019, ASHWIN 8, 1426 BS ● starbusiness@thedailystar.net

BB extends liquidity support to prop up stocks

STAR BUSINESS REPORT
Bangladesh Bank yesterday announced liquidity support for banks with a view to ramping up their capacity to invest in the capital market as part of a concerted effort to arrest the ongoing bear run.

Between June 27 and September 22, DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), sank 511 points, or 9.41 percent, to 4,920 -- which is well below the psychological 5,000-mark -- and investors lost Tk 28,892 crore.

The liquidity support will be provided in the form of Repurchase Agreement (repo), a form of short-term borrowing by banks from the central bank by placing government securities as collateral securities, as per the BB notice sent out to all lenders.

Lenders will have to count 6 percent interest rate to enjoy the liquidity support through repo. The repo will be for 28 days but the fund will be extended for six months.

The liquidity support extended to banks will be equivalent to 95 percent of the value of the treasury bills and bonds they present to the central bank. The lenders, whose investment volume is below the central bank ceiling, will



Stock investors watch price movement on a screen at a brokerage house in the capital.

get the support.

The Banking Companies Act 1991, which was amended in 2018, has limited a bank's stock market exposure to up to 25 percent of its capital.

The capital includes paid-up capital, share premium, statutory reserve and retained earnings.

But the investment ceiling goes up to 50 percent if the banks' subsidiary companies' capital is considered.

Banks will have to open fresh beneficiary owner account to invest the fund through their own portfolio. They will have to apply to the central bank within the next three months.

"This is a good initiative to make the capital market more vibrant, but the other stakeholders also will have to play their due role," said Syed Mahbubur Rahman, chairman of the Association of Bankers' Bangladesh, a forum of the managing directors of private banks.

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VAT REGISTRATION No response from Facebook, Google, YouTube

Jabbar meets Facebook officials today

MUHAMMAD ZAHIDUL ISLAM
The government has failed to bring Facebook, Google, YouTube and other digital platforms under its tax network three months after the new VAT law came into effect.

The new VAT law, which took effect on July 1, made it mandatory for the tech giants to either set up offices in Bangladesh or appoint agents such that the government can collect value-added tax (VAT) on the advertisements made on their platforms by local firms.

The National Board of Revenue (NBR) took the issue very seriously and sought help from the Bangladesh Telecommunication Regulatory Commission (BTRC) to ensure that the three social media giants set up shop in Bangladesh.

The commission first asked the three tech giants in February to set up offices in Bangladesh, submit a report on the revenue generated from the country and ad-links accounts and seek information about payment method.

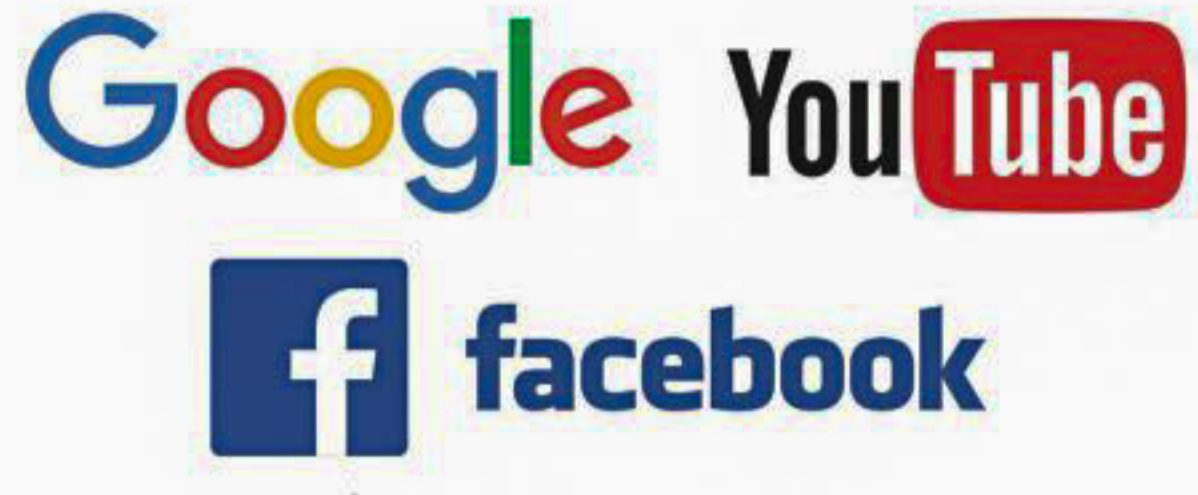
But no response was found.

"We have written to them [Facebook, Google and YouTube] but they are very reluctant," said Md Jahurul Haque, chairman of the telecom watchdog.

Digital advertisement is progressively

accounting for a lion's share of companies' advertisement budget. But the government does not get significant amount of VAT from the ads running on Facebook, YouTube, Google and other digital platforms.

Every year Facebook, YouTube and Google earn more than a thousand crores of taka from Bangladesh and the majority



of the sum is channelled beyond the banking channel.

For example, six banks were used for sending money to Google and Facebook since 2014 and the value is Tk 205.09 crore and \$7.03 million respectively, according to a central bank report placed with the High Court recently. The Bangladesh Bank report came following a writ petition filed by a lawyer.

As per rules, the NBR is supposed to get 15 percent in VAT and another 4 percent in advance income tax.

The telecom regulator also asked the cache server distributors and sought their support to reach Facebook, Google and YouTube.

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Large-cap stocks saving grace

STAR BUSINESS REPORT
Purchase of large-cap companies' stocks pulled the market up yesterday after a consecutive fall of three days.

The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, gained nearly 65 points, or 1.33 percent. It had fallen 104 points in the previous three days.

But turnover frustrated investors as it fell 21 percent to Tk 304.72 crore compared to the previous day.

Market insiders said some institutional investors yesterday purchased stocks of some large-cap and well-performing companies which had turned cheaper following massive sell-offs in the past few weeks.

All large cap sectors, except for banks, showed positive movements with telecommunication the highest of 7.30 percent. Banks exhibited the most negative movement of 0.10 percent. JMI Syringes topped the gainers' list yesterday with an 11.30 percent rise followed by Monno Ceramics, Gemini Sea Foods, Meghna Pet Industries and Beacon Pharmaceuticals. The top loser was Emerald Oil which shed 9.52 percent.

Of the traded stocks, 185 gained, 106 lost and 60 remained unchanged. The market's top four positive index contributors were GP, Square Pharmaceuticals, British American Tobacco Bangladesh and Renata.

GP was the top traded stock with a turnover of Tk 38.65 crore -- around 13 percent of the DSE's total turnover.

A stockbroker said the gloom over Grameenphone was expected to clear as Finance Minister AHM Mustafa Kamal has initiated steps to resolve a dispute over the Bangladesh Telecommunication Regulatory Commission's audit claim of Tk 12,579 crore.

So investors have started to purchase stocks, he added.

Chattogram stocks also rose with the bourse's benchmark index, the CSCX, increasing 115.97 points, or 1.29 percent, to finish the day at 9,076.76. Gainers beat losers as 74 declined and 122 advanced while 36 finished unchanged on Chittagong Stock Exchange.

Graft to blame for project delays: Tazul

STAR BUSINESS REPORT
Corruption is the major reason for delays and weak implementation of development projects, said a senior minister yesterday.

"Productive projects should be selected to help revenue generation meet increasing budgetary allocations every year," said Md Tazul Islam, minister for local government, rural development and co-operatives.

Addressing a discussion organised by Asian Development Bank on Faster

Project Implementation Week 2019 at the Sonargaon hotel, he said the prime minister was committed to addressing corruption and her stance was zero tolerance.

On implementing projects faster, he said good designs, understanding of project plans and realistic timelines were crucial.

The prime minister focused on addressing the power and energy crisis after coming to power 10 years ago and that augmented industrialisation, he said.

"We are also optimistic about further developing rail and road connectivity to expand economic activities. The ADB is backing the development initiatives of the government. We are optimistic about quality and right projects to ensure value for money," the minister added.

When projects are completed on time, within cost and with proper quality, they deliver the best outcomes to people, said Manmohan Parkash, country director of the ADB.

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LGED Minister Md Tazul Islam speaks at a seminar on faster project implementation, organised by the ADB at the Sonargaon hotel in Dhaka yesterday.

Private ICDs agree to hike tariffs by 10pc

STAFF CORRESPONDENT, Ctg
Private inland container depots (ICDs) yesterday agreed to raise container handling charges by 10 percent with effect from October 1, down from 25 percent they had fixed six days ago.

On the morning of September 16, Bangladesh Inland Container Depots Association (BICDA) raised the tariffs by 22 percent to 25 percent.

But later in the evening, they agreed to increase the tariffs by 12 percent upon request from the Chittagong Port Authority (CPA).

But ICD users, which include exporters, importers, and freight forwarders, were not happy and had been expressing dissatisfaction over the hike, saying the decision would hurt the country's external trade.

This prompted CPA Chairman Rear Admiral Zulfiqar Aziz to sit in an urgent meeting with all the stakeholders on the premises of the CPA yesterday.

After a long discussion, Aziz decided to raise the rates by 10 percent, according to the sources who were present in the meeting.

The increased charges will remain in place until a tariff committee of the shipping ministry fixes the rates, they added.

BICDA President Nurul Qayyum Khan told The Daily Star that the tariffs were needed to be increased in 2016 but they waited until August this year for a decision from the tariff committee, which has not come up with any new rate yet.

In the last one and a half months, the association had tried thrice to raise the tariffs but each time had to defer the decision and refunded the collected additional money to the users, he said.

Khan said this time they would also return the additional money they had collected from the users in the last six days.

After unloading from vessels at the Chattogram port, a portion of import containers are sent to the 19 private ICDs where goods are taken out and delivered to importers.

Almost 90 percent of the export-bound goods are sent to the ICDs to put them insider export containers before sending them to the port for shipment.

M Shafiqul Bari, member of the CPA for harbour and marine; Enamul Karim, director for traffic; Jowher Rizvi, first vice president of BICDA, and Khalilur Rahman, vice president, were also present at the meeting along with others.

New rates to be effective from Oct 1

41 pc households with migrants to be poor without remittance: WB

STAR BUSINESS REPORT
Forty-one percent of households with at least one family member engaged as a migrant worker would be in poverty without remittance, said a senior World Bank official yesterday.

International migration helps many households come out of poverty but challenges for migration are greater for the poor, said Stefano Paternostro, practice manager for social protection and jobs for South Asia at the Washington-based multilateral lender.

"High intermediation costs lead to lower access and greater vulnerability, especially for the poor," he said at a roundtable on "Inclusive jobs for youth: challenges and solutions in Bangladesh" organised by World Bank at InterContinental Dhaka.

Paternostro said the labour force was growing by 1.7 million per year but the domestic labour market was currently unable to provide jobs at a sufficient pace.

Unemployment among youth increased to 11.6 percent in 2018 from just over 6 percent in 2010 and is higher than the South Asian average of 10.6 percent, according to a

presentation by Paternostro.

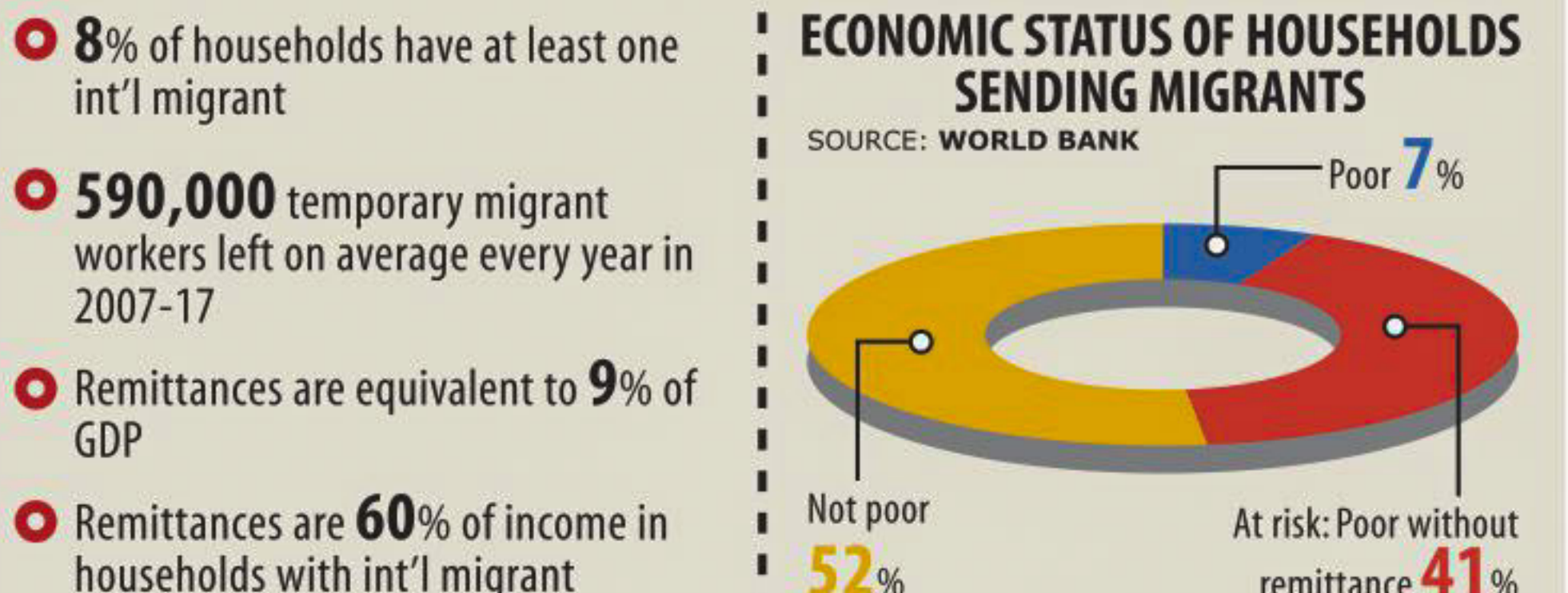
Of the employed youth, most work in low-paid and low-productive informal sector, especially in urban areas.

Less educated youth, especially those from poorer households, tend to be in informal and low productivity jobs in the domestic labour market. Poor youth are often unable to access the many programmes that are available for improving incomes because of many factors, said the bank in a summary of the event.

"International migration, which provides access to good jobs in overseas markets, is also often inaccessible to these youth due to a lack of information and high costs."

Paternostro said 590,000 migrant workers left Bangladesh on an average every year from 2007 to 2017 and 8 percent of the households have at least one international migrant. Remittances account for 60 percent of income in households with international migrant.

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4G users now 2.15cr

STAR BUSINESS REPORT
About 2.15 crore active users are now availing fourth generation (4G) mobile internet connections, according to a report of Bangladesh Telecommunication Regulatory Commission (BTRC).

Following the launch of the country's fastest mobile data service in February last year, this is a big achievement, said Md Jahurul Haque, the commission's chairman.

"Number-wise that is very lucrative but the service is not much attractive," he said.

As of August, the number of active 3G connections was 5.73 crore. The operator-wise breakdown is not available.

The BTRC yesterday published its monthly customer report where it mentioned that the number of active internet users increased by about 19.60 lakh in August, which is by far the highest for a single month in recent years.

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