

সুপার ডিপিএস
বিশেষ সঞ্চয় স্কিম

প্রাকল্পিত মুদাফা:

৩ বছর	৫ বছর	১০ বছর
৯.২৫%	৯.৫০%	১০%

ইসলামী শরীআহ'এর মূল্যবোধ
নীতির ভিত্তিতে পরিচালিত।

SIBL
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star BUSINESS

DHAKA WEDNESDAY OCTOBER 2, 2019, ASHWIN 17, 1426 BS • starbusiness@thedailystar.net

Made in Bangladesh refrigerators dominate market

JAGARAN CHAKMA

Just a decade ago Bangladesh was almost fully dependent on import to meet its demand for refrigerators. But the situation has reversed, with about 80 percent of the demand now met by locally-manufactured ones.

Walton has shown the path by setting up a manufacturing plant in 2008, and in 2016 has even started manufacturing compressors, the vital component of refrigerators.

Transcom, Minister, Vision, Jamuna, Singer Bangladesh, and Samsung have joined Walton: they are either manufacturing or assembling refrigerators locally. Higher electricity generation has also helped the sector to grow fast.

In 2018, refrigerator sales were about 22 lakh



units, up 10 percent year-on-year, according to industry players.

The sector has been growing at double-digit for the last five years, they said.

To cash in on the rising demand, Butterfly Marketing, the local distributor of Korean LG, has announced plans to manufacture LG's refrigerators in Bangladesh with a view to providing quality products at a reasonable price.

"The manufacturing facilities are ready and we will go for trial production by this month," said M Tanvirul Alam, head of factory operations of Butterfly.

Butterfly has invested \$55 million, which is equivalent to Tk 460 crore, to set up the facilities. Initially, 700 units of six models will be manufactured per day against the capacity of 1,400 units, he said.

Unusual swing unnerves stock investors further

Turnover falls to 2.5-month low

STAR BUSINESS REPORT

Unusually high fluctuation in turnover has left investors at the Dhaka Stock Exchange with more worry after the key indicator fell nearly 50 percent yesterday.

Turnover climbed to a six-month high of Tk 600 crore on Monday, raising hopes that the market might have finally started to get the much-needed liquidity support thanks to a number of recent measures from the government.

But the hopes were dashed within 24 hours as it nosedived 49 percent to Tk 304 crore yesterday, the lowest in two and a half months.

On Monday, the turnover climbed on the back of a huge block trade and increased activity by some institutional investors as it was the last day of the month and the third quarter of the year.

On the day, stocks worth Tk 145 crore changed hands in the block market.

A block trade involves a significantly large number of equities or bonds being traded at an arranged price between two parties.

But the average trading scenario returned yesterday.

A stock broker said institutional investors are not investing although the central bank has created more room for them to put in more money.

Investors are not hopeful about the future of the market and have adopted the wait-and-see approach, he added.

On September 17, the central bank backtracked from its decision to lower the loan-deposit ratio as it looks to alleviate the sector's ongoing liquidity crunch and facilitate lower interest rate on lending.

The Bangladesh Bank allowed banks to keep the ratio at 85 percent and Shariah-based banks at 90 percent, relieving them of the stress of bringing down the ratios to 83.5 percent by September 30.

Furthermore, the BB 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. The decision came on September 22.

However, the stock market has not seen as much liquidity flow as expected. Instead, the turnover is reducing.

However, the DSEX, the benchmark index of the DSE, rose 1.75 points, or 0.03 percent, to stand at 4,949.39 yesterday.

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NEWS IN brief

Golden Harvest to issue 8.99cr rights shares

Golden Harvest has received regulatory approval to raise Tk 89.93 crore through issuance of 8.99 crore rights shares of Tk 10 each. Three rights shares will be offered for existing four shares. The proceeds will be used for business expansion and repaying bank loans.

BSEC fines Adil Securities Tk 1 lakh

Adil Securities Ltd has been slapped with Tk 1 lakh fine for opening more than one solo account for each investor and providing margin loans to one of its directors and officials.

PLFS director fined for breach of rules

The capital market watchdog has fined Monowar Hossain, a director of People's Leasing and Financial Services, for selling 1.58 lakh shares without giving prior notice and also ordered to freeze his beneficiary account.

Brac Bank to get \$30m from British financier

STAR BUSINESS REPORT

CDC Group, the UK government's development finance institution, yesterday announced to invest \$30 million (over Tk 25 crore) in Bangladesh's Brac Bank.

Bangladesh presents significant opportunities for entities like CDC Group, in financial services, infrastructure and manufacturing, said its chief executive, Nick O'Donohoe.

The country has received just \$150 million or less than one percent of the CDC's investment portfolio of \$6 billion and the CDC expects it to significantly grow as the institution aims to double its investments over the next three to four years, he said.

O'Donohoe's comments came at a discussion organised at The Westin Dhaka to make public its debt commitment to Brac Bank.

"The CDC's capital would help Brac Bank increase its lending programme to export-led and other businesses to accelerate their growth, advance employment and positively contribute to Bangladesh's economy," said a statement issued by CDC.

It was important for the CDC capital to reach those entities to create jobs and help organise private equity and venture capital funds which can provide small amounts of investments to those growing companies, said O'Donohoe.

Bangladesh offers huge opportunities for its growth and skills, especially considering the need for further capital with foreign direct investment being below 1 percent of the GDP, said Graham Wrigley, chairman of CDC Group.

The country has a more developed debt market than it has of equity and the CDC thinks that in the next five to 10 years a lot of the Bangladeshi companies will want to raise equity through the capital market although they are not used to the process, he said.

The challenge is to provide a vibrant capital market for investors, said Srinu Nagarajan, managing director of CDC India Advisers.

He said CDC made its first investment in Bangladesh in 1980 with \$1 million for IPDC and supported funds for Runner and Butterfly.

Remittance soars 16.54pc in Q1

STAR BUSINESS REPORT

Remittance increased 16.54 percent year-on-year to \$4.51 billion in the first quarter of the fiscal year thanks to a government move that provides 2 percent cash subsidy to remitters for sending money through official channels.

As per a central bank notice, for amounts of up to \$1,500 expatriates will receive 2 percent cash incentive directly to their accounts without any verification from this fiscal year.

For amounts of upwards of \$1,500, sources of income and other documents will have to be presented.

"The cash subsidy gave a boost to the inflows," said Kazi Sayedur Rahman, an executive director of the central bank.

For instance, the inflows in August were \$1.44 billion, which climbed up to \$1.47 billion the following month - up 28.95 percent year-on-year, according to data from the Bangladesh Bank.

The upward trend in remittance will give some breathing space to the government in defending the exchange rate.

Ensure coordination among govt departments

MCCI urges Bida

STAR BUSINESS DESK

The government's investment promotion agency should ensure prompt response to the queries of the business community and well-coordinated decisions across all departments, a top chamber said yesterday.

The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) also suggested Bangladesh Investment Development Authority (Bida) form a task force which would frequently interact with the private sector and potential investors.

The suggestions came at a luncheon meeting organised by the chamber in honour of the newly-appointed executive chairman of Bida, Md Sirazul Islam, at MCCI's Gulshan office in Dhaka MCCI President Nihad Kabir applauded the efforts the Bida took to boost investment in the country, according to a press release of the chamber.

She also stressed the need for increasing the number of private sector representatives in the Bida governing body.

Kabir assured the state agency of providing wholehearted support for all activities geared towards boosting investment in the country.

Md Sirazul Islam, executive chairman of the investment promotion agency, said the current age of fourth industrial revolution demands updating the rules and regulations accordingly, and one of the Bida's mandates is to bring in policy changes, if required.

He said he would emphasise on working towards reducing the cost of doing business.

Islam sought support and cooperation in improving the investment scenario, according to the statement.

Some other topics which were raised during the discussion were the reduction in time at the airports for on-arrival visas, the competition that Bangladesh is to face in the future and the coordination among various government departments recognising local investors for their contributions.

Md Sirazul Islam, newly-appointed executive chairman of Bida, speaks at a luncheon meeting organised by MCCI Dhaka in honour of him on the chamber's Gulshan premises yesterday. Nihad Kabir, president of MCCI, was present.



NRB Bank
Not Just Another Bank

CIP (Export)
Ministry of Commerce
Government of the People's Republic of Bangladesh
COMMERCIALLY IMPORTANT PERSON
FOR THE YEAR 2017

Name : Mr. Iqbal Ahmed OBE
Designation : Managing Director
Organization : Seamark (BD) Limited
Date of Issue : September, 2017

Congratulations

Mr. Iqbal Ahmed OBE DBA, Founder Chairman & Director, NRB Bank Limited and Chairman & Chief Executive, Seamark Group of Companies and IBCO Food Industries Limited is seen receiving CIP (Export) Card-2017 for outstanding contribution in export from Hon'ble Commerce Minister Mr. Tipu Munshi, MP in a ceremony held on 18th September 2019 at Hotel InterContinental, Dhaka.

On this occasion, Mr. Tofail Ahmed, MP and Chairman Parliamentary Standing Committee on Ministry of Commerce was present as Special Guest and Mr. Sheikh Fazle Fahim, President, FBCCI was present as Guest of Honour.

The Board of Directors & Senior Management Team of the Bank are pleased to congratulate him for receiving such an honour.



Congratulations