

# PRI, Brac Bank workshop focuses blockchain for SME

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A workshop yesterday focused on technical, business and legal aspects of blockchain technology along with a few promising enterprise usages with emphasis on small and medium traders.

A blockchain is a growing list of records, called blocks, which are linked using cryptography. Each block contains a cryptographic hash of the previous block, a timestamp, and transaction data.

By design, a blockchain is resistant to modification of the data. Its security

and authenticity promises in data management bear immense potential for the banking and financial sectors.

The workshop was conducted by Dr Lawrence Ma, president of Hong Kong Blockchain Society, which promotes developing the technology's ecosystem, and CEO of EMALL, which helps enterprises leverage financial technology.

Policy Research Institute (PRI) and Brac Bank organised the event titled "Application of Blockchain as a Technology for SME Financing and Mortgage/Lien" at the latter's head office in Dhaka.

Academicians, researchers, economists, senior Bangladesh Bank officials, members of the civil society and professionals from banking, telcom, ICT and development sectors participated in the workshop.

Meanwhile, Dr Ahsan H Mansur, chairman of Brac Bank and the PRI executive director, moderated a discussion.

It was participated by Dr Ma, Habibullah N Karim, CEO of Techno Haven; Ifty Islam, chairman of Asian Tiger Capital Partners, Dr Zaidi Sattar, the PRI chairman, and Sabbir Hossain, COO of Brac Bank.



Participants of a workshop on "Application of Blockchain as a Technology for SME Financing and Mortgage/Lien" organised by Policy Research Institute and Brac Bank at the latter's head office in Dhaka yesterday.



## Lee Cooper top official arrives today

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Wayne Bebb, global managing director of English clothing company Lee Cooper, is scheduled to arrive on a two-day visit today with plans of signing a licensee agreement with Express Leather Products for the Bangladesh market.

Robert Chatterton Dickson, British high commissioner to Bangladesh, is scheduled to be in attendance, according to a statement.

The lifestyle brand operates in over 100 countries with 65 global partners in retail sales. Express Leather Products is also the licensee of Lotto.

As a chartered accountant, Bebb has conceptualised and developed business growth across multiple channels from human capital, media, branded products, wholesale and retail distribution, says the statement.

# Britain awash with corrupt cash: study

AFP, London

Britain is awash with dirty money as the world's most corrupt funnel cash into luxury yachts, jewellery, property, jets and even private school fees, campaigners said Thursday in a study.

More than 300 billion (\$386 billion, 347 billion euros) of suspect money has flowed in via UK-based accountancy firms, banks and law firms, Transparency International said, drawing on conclusions from a study into more than 400 corruption and money-laundering cases.

A spokesman told AFP that the cases span back three decades, but the majority are during the last 10-15 years. "The UK is a hub for corrupt wealth from around the world," the organisation concluded.

"This money is acquired with the aid of companies incorporated in the UK and in its offshore financial centres, invested into luxury property here, and used to buy access to prestigious institutions and privileged lifestyles," the report said.

It continued: "A substantial amount of (this money) is obtained by those who have abused power entrusted in them for private gain." Transparency International said it had identified 86 financial institutions, 81 law firms and 62 accountancy firms that have "unwittingly or otherwise" helped individuals funnel funds.

"The list of exposes detailing the investments and indulgences of a global cadre of corrupt individuals in or through

our economy has become too large to ignore.

"Although this is deeply worrying, it is increasingly acknowledged within policy circles and business, which is a positive step towards taking meaningful action."

The group noted that some services -- like architects, interior designers, private education providers and public relations firms -- all fell outside anti-money laundering rules.



The financial district can be seen as a person runs in the sunshine on London's south bank.

The study also identified 421 properties, worth around 5.0 billion that were "bought with suspicious wealth".

And it warned that this could be "the tip of the iceberg" because some 87,000 properties in England and Wales are owned by companies based in secrecy jurisdictions, where there is no information about beneficiaries.

It also signalled a swathe of suspect purchases that also include supercars, luxury cars, private jets and even a box at Chelsea Football Club's Stamford Bridge stadium.

# German economy to grow in Q4 as business morale steadies

REUTERS, Berlin

German business sentiment held steady in October, and Europe's largest economy should grow moderately in the final quarter after contracting earlier in the year, the Ifo economic institute said on Friday.

Ifo said its business climate index was unchanged from the prior month in October at 94.6. That was just above the consensus forecast for 94.5. "The German economy is stabilising," Ifo President Clemens Fuest said in a statement.

Europe's economic powerhouse shrank in the second quarter, and many economists expect it to have done so again in the third. That would put it in recession - usually defined as

a period of at least two consecutive quarters of contraction.

But Ifo economist Klaus Wohlrabe told Reuters: "For the fourth quarter, we expect a slight expansion." Wohlrabe said the downturn in German industry, which is heavily exposed to fluctuations in global trade, has stopped for the time being, but he added: "The uncertainty stemming from Brexit remains high." Germany's export-reliant economy has been suffering from slower global growth and business uncertainty caused by U.S. President Donald Trump's 'America First' trade policies and Britain's planned, but delayed, exit from the European Union.

German sportswear group Puma said on Thursday it would take a

hit from U.S. tariffs on China in the fourth quarter but still raised its sales forecast. Ifo's index on current conditions fell to 97.8 from 98.6 in September. But its expectations index rose to 91.5 from 90.9.

"Relief, unfortunately, is not the same as a rebound," ING economist Carsten Brzeski said of the stabilisation in morale.

"The risk of a long flirt with stagnation remains high and with it the risk of a Japanification of the German economy." ECB Vice President Luis de Guindos said earlier this month the bank must fight the spectre of 'Japanification' - the risk of replicating Japan's 'lost decades' of low-to-no growth and self-fulfilling expectations of low inflation or grinding deflation.



Mohsin Habib Chowdhury, senior general manager for sales and marketing at Berger Paints Bangladesh, poses with top dealers at "Berger Innova Dealers' Night 2019" at the Dhaka Regency hotel on Thursday.

## \$1b taka bond debuts Nov 11

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Lastly, a deep and liquid offshore taka market will provide a channel for foreign investors to invest dollars that can be used for investment in Bangladesh.

The primary objective of the bond issuance is to mobilise capital to fund IFC investments in projects in the country.

This will be done by converting the dollar proceeds of the bonds into taka and then using the resulting taka funds to provide financing for projects in Bangladesh.

The finance ministry official said former finance minister AMA Muhith had discussed the issue with the IFC on various occasions and with the World Bank and International Monetary Fund in Washington DC.

He also said the present finance minister held a meeting in this regard while attending an annual IMF meeting earlier this month. The IFC will launch the taka-linked bonds after discussions with the finance minister once he returns to Dhaka in a couple of days' time, said a finance ministry official.

New Committee Kamal said a seven-member committee will be formed headed by the high commissioner in London to identify the barriers in sending remittance to Bangladesh. He also said the cash incentive for remittance will be provided from July 1 and beneficiaries can claim the incentive at their respective banks.

## Freelancers will be given bank loans: Salman F Rahman

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"These are all from the SMEs. Of the \$7 billion, \$1 billion was directly exported. I found this to be fantastic as previously we were importing those goods," he said, adding that accessories are exported even to Vietnam and China.

The BSCIC has a target to establish 50 more industrial parks in different districts very soon to create a substantial amount of job opportunities by 2030, said its chairman, Md Mostaque Hassan.

By December the construction of the central effluent treatment plant at the Savar

leather estate will be completed. Then a certification from Leather Working Group can be obtained and Bangladesh can export leather and leather goods to countries around the world and at better prices, he added.

The government will publish an SME policy soon, said Abdul Halim, secretary to the industries ministry, adding that there is a target to take the contribution of SMEs in the GDP to 28 percent from the existing 25 percent.

ERF President Saiful Islam Dilal also spoke.

## Tough times for the apparel industry: BGMEA president

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"So, Bangladesh needs to diversify its products to become more competitive in the global fashion market," Rubana said.

Moreover, Bangladesh is more dependent on cotton fibre whereas the demand for the garment items made from the manmade fibre is increasing worldwide. The BGMEA chief said small and medium-sized factories are getting closed due to a lack of assistance from banks. They are not considered to be viable clients by banks because of low competitiveness.

The BGMEA's analysis showed that garment export declined 17.68 percent year-on-year to \$572 million in the first quarter while prices increased only by 2.54 percent.

On the US-China trade war, Rubana said Bangladesh is yet to benefit from the global dispute, while others are using it on the back of their diversified products.

On the other hand, Bangladesh is losing its basic garment business and Vietnam,

Myanmar, and Ethiopia are getting those work orders now.

For example, Myanmar exports nearly \$5 billion worth of garment items every year and it has a target to export \$20 billion worth of products by 2024. "Even a decade ago, it was below \$500 million a year," she said.

Rubana said they have already submitted a set of proposals with the Bangladesh Bank for the revival of the garment sector.

The BGMEA demanded the US dollar be devalued by Tk 2, implementation of which will cost the government nearly Tk 1,850 crore.

It also called for 1 percent incentive on exports with immediate effect, retrospective effect of 0.25 percent source tax from July, doubling the loan rescheduling period for the existing 133 sick garment factories, and fund allocation for modernisation and tech upgrade of factories.

The association will soon meet with the government high-ups to place its demands, Rubana said.

## Develop bond market to finance infrastructure projects: experts

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He said the government has formed three committees to make the bond market functional.

He said since banks are providing long-term loans, corporate houses are not interested in raising funds through bonds. "Banks will not do it willingly -- they should be forced," he added.

Prashanta Kumar Banerjee, a director of the Bangladesh Institute of Bank Management, said all the related regulators should analyse the problems and solve them very fast because the economy needs the bond market.

"It is surprising to me how banks lend in the housing project for 20 years on the back of three years' deposits," he said.

Subhash Chandra Das, chief financial officer of Sonali Bank, said the bond issuance cost is too high and still bond investment is coming from banks only.

"We have to brighten our image at the international level," he said.

Md Tabarak Hossain Bhuiyan, managing director and CEO of

Prime Bank Investment, said the government would have to reduce regulatory barriers to promote the bond market.

"There is a potential for getting funds from NRBs through bonds, which will help the economy," he added.

Abu Nur Rashed Ahmed, additional commissioner of the Customs Bond Commissionerate of Dhaka, said the money which is taxed but is not in the banking sector or in the stock market should be targeted for bonds.

Mohammed Shafiqul Alam, deputy secretary of the financial institutions division, said: "The country's stock market is going through turbulent times and the banking sector is suffering from non-performing loans, so we must be careful about the bond market."

The government is working to make the bond market vibrant, so some policy support and good results are expected very soon, he added.

Sajjadur Rahman, business editor of The Daily Star, moderated the roundtable.

## HBM Iqbal blames bankers for bad loans

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The amount of NPL of Premier Bank is Tk 650 crore, which is 4.5 percent of its total liquidity and a standard level of bad loan ratio, its Managing Director M Reazul Karim said.

"The amount of the NPL is going down gradually." He said Premier Bank would open 500 agent banking booths in rural areas within next two years with a view to bringing the village people under the banking network.

The bank will give priority to small and medium enterprises while giving out loans as the sector is growing fast and there is less possibility of the loans going sour, Karim said.

Muhammed Ali, adviser of the bank, said Premier Bank has been playing an important role in the economy through industrial development and exports growth since its establishment in 1999.

Moin Iqbal, vice-chairman of the bank, and Abdus Salam Murshedy, a director, also spoke.



Premier Bank Chairman HBM Iqbal, directors and top officials cut a cake at its head office in Dhaka yesterday celebrating the bank's two decades of operations. M Reazul Karim, CEO, was present.

## Withdraw advance tax on import of raw materials

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Clearance time should not be more than seven days, said the FIAB, adding that they have to bear additional charges for delayed clearance from the Chattogram port.

Feed makers also urged the government to allow import of vaccines of avian influenza H9N2 viruses on special consideration ahead of the coming winter.

Poultry production has fallen in recent years after it came under attacks of the flu, the association said.

Industry operators said they have been seeking permission to import the vaccines and also to produce them locally for the last two years, but the approval has not been given yet.

The outbreak of the avian influenza usually takes place in winter. So, poultry farmers and entrepreneurs are fearing a massive attack of the disease in the coming winter season, Ahsanuzzaman said. Feed production is expected to double to 60 lakh tonnes in 2019 from 29.7 lakh tonnes in 2015. The sector caters for the poultry industry, which produces 14.6 lakh tonnes of chicken meat annually, according to the BPICC.