Prime Bank clocks 27pc profit in Jan-Sep

STAR BUSINESS REPORT

Prime Bank's profit after tax rose 27 percent year-on-year to Tk 155 crore in the first nine months this year.

The earnings per share of the private commercial lender increased to Tk 1.37 during the January-September period from Tk 1.08 a year ago.

Consolidated net asset value per share stood at Tk 23.25 as of September, up from Tk 22.37 a year earlier.

M Habibur Rahman Chowdhury, a deputy managing director of Prime Bank, presented the financial results at a programme of the bank at its head office in Dhaka yesterday.

Speaking at the event, Rahel Ahmed, managing director of the bank, talked about the overall situation in the banking sector and highlighted the key features and future plans of Prime Bank.

Deputy Managing Directors Md Golam Rabbani, Md Touhidul Alam Khan, and Faisal Rahman were also present.

Local and foreign investment analysts as well as capital market experts participated in the programme through online platforms.

PRIME BANK

Rahel Ahmed, second from *left*, CEO of Prime Bank, poses at the bank's earnings disclosure for the third quarter of 2019 at its head office in Dhaka yesterday.

Euro zone retail sales pick up

REUTERS, *Brussels*

Euro zone retail sales accelerated more than expected year-on-year in September, data from the European Union's statistics office showed on Wednesday, pointing to sustained domestic demand in Europe.

Eurostat said retail sales in the 19 countries sharing the euro rose 0.1 percent month-on-month for a 3.1 percent year-on-year gain, up from 2.7 percent in August. Economists polled by Reuters had expected the same monthly increase but forecast only a 2.5 percent annual rise.

Retail sales are a proxy for domestic demand, which has been supported by unemployment at 11-year lows and gradual wage growth.

The statistics office said that month-on-month retail sales of food, drinks and tobacco fell 0.4 percent, but rose 0.1 percent for non-food products. In year-on-year terms, which are less prone to swings, sales of food rose 1.3 percent and of non-food products by 4.6 percent, accelerating from 4.2 percent the previous month.

German industry orders swell in September

AFP, *Frankfurt*

Industrial orders in Europe's largest economy Germany swelled in September, official data showed Wednesday, in a bright spot among forward-looking data weighed down by trade wars.

New contracts increased 1.3 percent month-on-month, federal statistics authority Destatis said in seasonally-adjusted data, beating analysts' forecasts of zero expansion.

Counting out the effect of large orders for items like aircraft, which can distort underlying trends, the increase was even sharper, at 1.5 percent.

"Over the full third quarter, there was a reduction in order intake of one percent," the economy ministry said in a statement.

Nevertheless, September's rise "points to a rather favourable starting position for the final quarter" of 2019, the ministry added, pointing also to brightening business confidence indicators.

Surveys of optimism among investors and business leaders had darkened as trade conflicts between the US, Europe and China weighed on expectations, but hints of a truce have lifted spirits in recent weeks.

Looking in more detail at the orders data, orders from Germany's eurozone neighbourhood fell back, while domestic contracts and business from the rest of the world expanded.

Capital goods and consumer goods firms both reported swelling order books, while there was falling demand for producer goods.

September's result "looks like a really good figure... the downturn is not persisting for now, although there remains a shortage of new drivers for growth," said analyst Jens-Oliver Niklasch of LBBW bank.

Unique Hotel and Resorts gets new CEO

STAR BUSINESS DESK

Shakawath Hossain has recently been appointed chief executive officer of Unique Hotel and Resorts, the owning company of The Westin Dhaka, and facility management service provider Hansa Management.

Hossain has over 18 years' experience in the hospitality and tourism industry. He was previously appointed as resident manager and acting general manager of The Westin Dhaka.

Hossain holds an MBA degree in tourism and hospitality management from the University of Dhaka.

Join hands to cut water, energy consumption

FROM PAGE B1

"Bangladesh is very strategically positioned. Almost all brands and retailers purchase garment items from Bangladesh."

However, investment in the backward linkage sectors did not happen at the expected level, she added.

Asif Zahir, deputy managing director of Ananta Group, said his company has been using energy-saving technologies to save up on production costs. For instance, he started using solar power on a limited scale in his factory as well as LED light.

"However, the changes need to be happening from the consumers' side as well."

Zahir went on to express hope that a big difference can be noticed in the use of water and energy in garment production in Bangladesh in the next five to 10 years as the manufacturers are adopting new technologies.

Joost Lina, policy officer of ministry of foreign affairs of the Netherlands, said Bangladesh needs to sell its positive stories.

He said his government will continue its support to Bangladesh in activities like water and energy saving technologies.

Bangladesh should be proud as the country has been performing very strongly in denim goods, said Hannah Abdullah, news editor of Just-Style.

Sabine Kuhnl, editor-in-chief of Sportswear International; Shams Mahmud, managing director of Shasha Denim; Inamul Haq Khan (Bablu), managing director of Ananta Garments; Munir Ahmed, director of M&J Group; and KM Khalilur Rahman, country manager of Groupe Carrefour, also spoke.

Tesla plans after-sales network expansion in China

REUTERS, *Shanghai*

Tesla Inc plans to double the number of repair and maintenance shops, add about 100 charging stations and revamp showrooms in China as the electric vehicle maker gears up to open its Shanghai plant.

The moves mark a departure from the approach chief executive Elon Musk announced in March, when he said the company would shut many of its retail stores worldwide to cut costs.

Tesla had already treated China, the world's biggest electric vehicle market, differently than elsewhere. The company and Musk openly disdain marketing, but in China Tesla has offered racing events and showroom parties.

"Building cars from the Shanghai factory is just the first step," Tesla vice president Tao Lin said at an industry conference last month in Beijing. "Next we must deliver cars very well to our customers and provide very good after-sales service.

Tesla plans to turn some of its showrooms in China into one-stop shops called "Tesla Centers" that also serve as delivery sites and offer maintenance support, two sources familiar with the matter said.

The sources, who spoke on condition of anonymity because they were not authorized to speak to the media, said the rollout would start in Shanghai and Guangzhou.

REUTERS/FILE

Workers carry building materials for a new Tesla showroom in Guangzhou, China.

In coming months, the company also plans to double its service centers to 63 from 29 and boost fast charging stations by 39 percent to 362, according to Tesla planning documents seen by Reuters.

"Expanding the service network is very important to boost customer confidence," Tesla China general manager Wang Hao told Reuters, adding the firm would build more charging stations in China next year at a "faster pace."

"There is growing sales potential from more inland cities, and a need to prepare for growing repair and maintenance demands to avoid complaints," one of the sources said.

Tesla, most of whose service centers are in China's coastal regions and big provincial capitals, will open new ones in the northwestern city of Urumqi, southwestern city of Kunming and "Ice City" Harbin in the north, the documents showed.

The sources cautioned that plans might change depending on the circumstances.

Loan write-off policy to be eased again

FROM PAGE B1

Introduced in January 2003 by the central bank with the view to putting the brakes on the rising default loans then, banks have written off Tk 54,463.76 crore since then.

As of June, Tk 41,477.63 crore of the written off amount has remained outstanding, which is 76.15 percent of the sum.

Experts came down heavily on the latest central bank move as it could further weaken the financial health of banks.

"I am unable to welcome the initiative as it will only show a lower amount of defaulted loans artificially," said Ahsan H Mansur, chairman of Brac Bank.

The central bank should follow the global best practice as the majority of the developed countries wait 3-4 years to write off their defaulted loans.

Cleaning up defaulted loans from balance sheet through using the write-off policy is not a good practice as it will give a wrong picture of the financial sector, said Mansur, also the executive director of the Policy Research Institute.

The central bank is now incapable of taking policy-related decisions freely thanks to a vested quarter, said Khondker Ibrahim Khaled, a former deputy governor of the BB.

"And this is another awful example on how the group is controlling the central bank."

Banks will not give their all-out efforts to recover defaulted loans if they are allowed to write off their bad loans after just one year, Khaled said.

Salehuddin Ahmed, a former governor of the central bank, echoed the same, saying it would have an adverse impact on financial discipline in the banking sector.

India seeks foreign investments in oil and gas sector: minister

REUTERS, *New Delhi*

India, the world's third-largest oil importer, wants more foreign investments in its oil and gas sector, oil minister Dharmendra Pradhan said on Wednesday, as the country takes steps to woo companies, including a recent cut in corporate taxes. India will secure capital, world-class technology and implement any policy reforms needed to become an international energy leader, Pradhan said at an energy conference in New Delhi.

"India wants to be the new destination for global energy players," he said. Oil producers worldwide are eager to gain a foothold in India, where fuel demand is expected to keep rising as the country's economy grows.

India to set up two land customs stations

FROM PAGE B1

Sangma said the Indian government wants to build public-to-public relationship with Bangladesh. "To develop tourism, it is important to create good relationship between tour operators of Bangladesh and Meghalaya."

The chief minister said India wants to keep the import-export relation steady with Bangladesh, but considering the environment, it needs to stop coal export eventually.

"But we are looking for a permanent solution of the problem," he said.

Bangladesh imports coal from Meghalaya but it has become irregular since 2014 when the Supreme Court of India ordered to stop mining in the state following a case filed by the Indian National Green Tribunal stating that the coal mines in the state are not maintaining rules.

During the discussion, Shakil P Ahammed, principal secretary of the Meghalaya government, said if Bangladesh allows India to use the Chattogram port, it will help Bangladesh earn revenue and the northeastern region save time.

The delegates also said a 200-megawatt hydroelectric plant using the river stream flowing between Meghalaya and Bangladesh can be set up under a joint initiative.

They also called for establishing more border haats to exchange agricultural produce of Meghalaya and Bangladesh.

SCCI President Abu Taher Mohammad Shoeb said the demand for Bangladesh's products in the northeastern region is high but the export can't be expanded because of some non-tariff barriers. So, the Indian government must act in a flexible manner, he said.

Only 23pc firms provide childcare facilities: IFC

FROM PAGE B1

The IFC's survey results point toward a strong business case for employer-supported childcare and incorporate recommendations for the private, public and development sectors to boost employer-supported childcare in the country.

The survey was funded by the Canadian government and developed after consultations with more than 75 employees and 40 stakeholders, including government representatives and care providers.

According to Bangladesh Labour Law 2006, companies with more than 40 female employees are legally required to offer childcare options.

The IFC conducted the survey with the view to raising awareness that the benefits of employer-supported childcare outweigh the cost of implementing it.

Since 2017, the IFC has produced several reports on childcare, including from India, Pakistan and Sri Lanka, highlighting the innovative approaches that companies have taken to provide childcare.

The report also said a lack of access to good quality, affordable childcare is a major obstacle to women's participation in the labour force across the world because women usually bear a disproportionate share of childcare responsibilities.

Studies, including from the IFC, suggest that employer-supported childcare can be a win-win for all as it improves physical and cognitive outcomes for children, enhances employment opportunities for women and boosts productivity and profits for businesses and support socio-economic growth.

USAID study identifies 16 alternatives to RMG

FROM PAGE B1

USAID Deputy Administrator Bonnie Glick, US Deputy Chief of Mission JoAnne Wagner and USAID Bangladesh Mission Director Derrick S Brown jointly launched the study findings at the office of the American Chamber of Commerce in Bangladesh (AmCham) in Dhaka on Tuesday.

The assessment was designed to have a rigorous analysis of the 16 sectors, which together account for over six million jobs and revenue close to $50 billion from the domestic and international markets annually in Bangladesh.

The majority of the sectors are on a fast-paced growth trajectory, exhibiting double-digit growth annually.

A burgeoning middle-income class with increased purchasing power is driving domestic consumption, yet ensuring low-cost labour in the international market, which was creating price-competitiveness.

Agribusiness (food processing), light engineering, ICT and outsourcing, tourism, pharmaceuticals and healthcare were recognised as key sectors for supporting sustainable economic growth in Bangladesh and for future USAID intervention.

The six selected sectors together account for approximately 10 percent of the country's GDP while generating around 3.5 million jobs.

Having ensured strong and steady market fundamentals, these sectors are poised to earn more than $60 billion at the end of 2023.

Among them, agribusiness (food processing) is thriving on a strong base of domestic backward linkage, having generated around $4.8 billion last fiscal year.

The food processing sub-sector alone contributes approximately 3,00,000 jobs and was highly inclusive of an unskilled, female labour force.

In coherence with the government's Digital Bangladesh vision, the ICT and outsourcing industry earned $1.7 billion last fiscal year while creating around 940,000 jobs.

The tourism industry, logging a robust annual revenue of $5.3 billion last year, boasts around seven million domestic travellers per annum.

The light engineering industry, standing at $3.1 billion, has the highest multiplier impact potential as it was the backward linkage vertical for almost all production and manufacturing sub-sectors.

Bangladesh is the only least developed economy featuring a well-developed pharmaceuticals sector, which earned $2.5 billion last fiscal year, generating approximately 170,000 white-collar jobs.

The healthcare sector is expected to reach annual revenues of over $11 billion by 2023 if the private sector actors could address longstanding growth barriers, including infrastructure gaps and a severe shortage of medical professionals.

MERCANTILE BANK

Lawmaker Morshed Alam, chairman of Mercantile Bank, opens the bank's 140th branch at Aftabnagar in Dhaka yesterday. Md Quamrul Islam Chowdhury, CEO, was present.

Low tax-GDP ratio bar to universal pension scheme

FROM PAGE B1

This cost would increase to 0.6 to 0.9 percent of the GDP and 5.5 to 8.8 percent of revenue annually if the benefit amounted to Tk 2,264, equivalent to an upper poverty line, by fiscal year 2029-30. Rahman recommended mobilising an additional 2 to 3 percent GDP-equivalent tax to establish the universal pension scheme.

He also said if the government was able to implement its public finance management strategy of 2016-2021, the tax-GDP ratio could be raised to 14 percent by 2023, helping to cushion the scheme's introduction.

Planning Minister MA Mannan was the chief guest while Abul Kalam Azad, chairman of the parliamentary standing committee of the ministry, special guest and Dr Zahid Hussain, former lead economist at World Bank, special commentator at the dialogue.

Dr Debapriya Bhattacharya, distinguished fellow at the CPD, chaired the session.