

STOCKS	
DSEX ▲ 0.14% 4,710.39	CSCX ▲ 0.17% 8,723.26

COMMODITIES		As of Friday
Gold ▲ \$1,469.18 (per ounce)	Oil ▲ \$63.30 (per barrel)	

ASIAN MARKETS				Friday Closings
MUMBAI ▲ 0.17% 40,356.69	TOKYO ▲ 0.70% 23,303.32	SINGAPORE ▲ 0.22% 3,238.86	SHANGHAI ▲ 0.64% 2,891.34	

CURRENCIES					STANDARD CHARTERED BANK
\$ USD	€ EUR	£ GBP	¥ JPY		
BUY TK 83.85	91.84	107.53	0.75		
SELL TK 84.85	95.64	111.33	0.79		



# BUSINESS

DHAKA MONDAY NOVEMBER 18, 2019, AGRAHAYAN 3, 1426 BS starbusiness@thecitizenstar.net

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## Govt devises strategy to curb money laundering

Identifies destinations of illicit funds from Bangladesh

STAR BUSINESS REPORT

The US, the UK, Canada, Australia, Singapore, Hong Kong, the UAE, Malaysia, and the British Virgin Islands are among the major destinations the money-launderers from Bangladesh use to siphon off their illicit funds, said a government report yesterday.

The government identified the countries and territories based on

independent studies and cases of illicit flow of funds.

The launderers siphon off the money under the guise of some available facilities like investment visa, permanent residency, long-term residency, second home project, and relaxed exchange control, according to the report.

The paper cited the facilities in its

Hotel. In the paper, the government has devised 11 strategies to prevent money laundering, terrorist financing and corruption. The report also said the government will apply the strategies in the next three years to 2021.

Trade-based money laundering, hundi/hawala, bulk cash smuggling, and transfer pricing manipulation are used commonly to transfer funds illegally, the paper also said.

However, two emerging types of illicit flow of funds from Bangladesh warrant further attention from the respective agencies.

First, foreigners with tourist visas earn money while working at Bangladeshi firms and transferring huge amounts abroad. The second is the advertisement or sponsorship fees paid by domestic firms to foreign social media platforms, according to the paper.

The government plans to carry out several studies between December 2019 and December 2020 to find out the amount of illicit flows of funds from Bangladesh, how and where they are siphoned off.

The studies will also look into how many foreigners are working in Bangladesh and how they are remitting funds to their home countries.

Another study will be conducted on how the fees for ads in foreign media are being paid and the purchases on e-commerce sites being made.

There will also be a strategic analysis to figure out the amount siphoned by way of loan scams and quick write-offs.

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National Strategy for Prevention of Money Laundering and Combating Financing of Terrorism 2019-2021

17 November 2019, Dhaka.

Chief Guest: Mr. A. H. M. Mustafa Kamal, MFR, Honorable Minister, Ministry of Finance  
Special Guest: Mr. Md. Shahriar Alam, Honorable State Minister for Foreign Affairs  
Moderator: Mr. Fazle Kabir, Governor, Bangladesh Bank



Finance Minister AHM Mustafa Kamal speaks at a seminar on money laundering at InterContinental Dhaka yesterday.



"national strategy for prevention of money laundering and combating financing of terrorism 2019-2021" launched at a programme at the capital's InterContinental

More than two-thirds of listed banks posted higher earnings in the first nine months of 2019 amid liquidity crunch, lower credit demand and rising bad loans in a development that has left many puzzled.

Of the listed 30 banks, the earnings of 22 lenders rose, seven saw a decline and one incurred losses, according to their unaudited financial statements.

"I was surprised to see the balance sheets of some banks. They have

shown inflated earnings by not keeping required provision against the bad loans," said a managing director of a bank, which has kept aside around Tk 100 crore as provision against bad loans.

As per stock market rules, every listed company has to make its quarterly earnings public through the website of the Dhaka Stock Exchange (DSE). As these companies are allowed to publish the quarterly figures unaudited, they often take the opportunity and show their financials

inflated or deflated based on their needs.

Of the banks, the EPS of First Security Islami Bank more than doubled to Tk 1.30 from January to September, up from Tk 0.53 year-on-year. Yet, the stock of the bank is still selling below its face-value. Yesterday, the stock traded 1.03 percent lower at Tk 9.6.

First Security Islami Bank is not alone as almost all the banking stocks are experiencing the same situation.

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Visitors wait in queues to submit their tax returns at the ongoing weeklong tax fair at the Officers' Club in Dhaka yesterday. The fair ends on Wednesday.

## Most listed banks post higher earnings

But their stocks largely unmoved

AHSAN HABIB

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## Premier Cement takes up Tk 1,300cr expansion despite industry glut

JAGARAN CHAKRA

An unhealthy competition plagues Bangladesh's cement sector for a 43 percent overcapacity but this seems to have done little to dissuade Premier Cement from realising plans of doubling its annual production by next March.

"We have constructed two more units in Narayanganj and Chattogram involving Tk 1,300 crore," the company's managing director, Mohammed Amirul Haque, said during a conversation with The Daily Star recently.

He said to have taken up the expansion plans way back in 2017 foreseeing demand taking the lead within 2021.

The promise comes from the past, with demand continually growing for eight years by around 15.6 percent on the back of government plans on implementing mega projects.

The new units are up and ready for trial runs, he said, adding that its Dhaka Stock Exchange disclosure would come following an annual general meeting in this fiscal year's third quarter.

The Narayanganj unit is taking up Tk 800 crore and the Chattogram one the rest. Standard Chartered Bank, Pubali Bank and City Bank provided 70pc of the cost as loan while a Danish bank another \$35 million or Tk 280 crore for purchase of capital machinery.

Haque claims their expansion in annual output from 2.4 to 5.2 million tonnes would be a record for a single entity in the country.

Vertical roller mills, which can generate extremely fine powder using 20 percent less power, of Danish entity FLSmidth will be used to attain production rates of 460 and 270 tonnes per hour for the units in Narayanganj and Chattogram respectively.

Moreover, the company hopes to double the number of staff from the existing 1,100 in its five units.

Haque said despite the sector's challenges, such as the need for all raw materials to be imported, Premier Cement has always been in profit, providing handsome dividends to shareholders.

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Agriculture Minister Muhammad Abdur Razzaque speaks at a seminar on "Livelihood enhancement through modern agricultural practices: PKSF's experiences" organised by Palli Karma-Sahayak Foundation (PKSF) at Bangabandhu International Conference Center in Dhaka yesterday. Experts at the seminar stressed the need for food safety along with food security.

## Value water for sustainable development: analysts

STAR BUSINESS REPORT

Bangladesh can take a leading role in enabling sustainable water management and ensure long-term economic growth by valuing water as an integral part of policymaking and investment decisions, speakers said yesterday.

Understanding the value of water is critical for sustainable and integrated water resource management, which will ensure sustainable socio-economic development in the long run, they said.

The experts spoke at a programme styled "Dissemination workshop on valuing water initiatives" at the Gulshan office of the Metropolitan Chamber of Commerce & Industries (MCCI).

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## Finnish eye Bangladesh as a potential investment destination

STAR BUSINESS REPORT

Finnish businesses yesterday expressed their keen interest in pursuing investment and joint partnerships with Bangladesh.

They showed interest in areas such as education, ICT, artificial intelligence, financial instruments, health IT, renewable

energy, sustainable forestry and smart agriculture.

They showed their interest in investing in Bangladesh at a discussion styled 'Doing Business with Finland' at the capital's Pan Pacific Sonargaon hotel.

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