

# BB cuts interest rate for export dev fund

**STAR BUSINESS REPORT**

The central bank yesterday cut interest rate on its export development fund (EDF) by 1 percentage point with a view to giving a boost to sluggish export earnings.

As per a notice issued by the Bangladesh Bank, manufacturers who export will now be able to borrow foreign currency loans at LIBOR (London Interbank Offered Rate) plus 1.5 percent, down from 2.5 percent previously.

LIBOR, which serves as a global benchmark for short-term interest rates, has been hovering between 1.90 percent to 1.92 percent for the last few days, meaning the cost of foreign currency loans will remain at about 3.42 percent.

The banking regulator also cut the interest rate for banks as they will be charged LIBOR plus 0.50 percent from the previous rate of LIBOR plus 1 percent.

Exporters initially apply to banks for the loans, after which lenders request the central bank to provide the fund.

The latest central bank decision will encourage exporters as their production cost will decrease significantly, said a Bangladesh Bank official.

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# India may extend onion export ban to Feb

REUTERS, Manchar, India

India may keep a ban on onion exports until February because domestic prices have risen after the harvest of summer-sown crops, which were expected to augment supplies, was delayed and damaged by untimely rains, a government official said.

The ban on overseas sales by India, the world's biggest exporter of the bulb, will keep prices elevated in Asia and require importers in Nepal, Bangladesh and Sri Lanka to find other sources to fulfil their demand.

Despite the export ban enacted in September to keep domestic supply inside India, prices have surged after rain and floods during October and November limited onion supply, especially in Maharashtra, the country's biggest producer.

Wholesale onion prices are about 40 rupees (55 cents) per kg, down slightly from 55 rupees earlier this month, the highest in six years, according to data compiled by the state-run National Horticultural Research and Development Foundation.

"We will think about resuming exports once prices come down. Right now it is not possible," a senior government official at the Indian Department of Consumer Affairs said on Monday.

"From January onwards supplies are expected to rise meaningfully. Once prices come down to a comfortable level, say below 20 rupees (per kg), then we can allow exports," he said, asking to remain unidentified because he is not authorised to speak to the media.

A spokeswoman for India's Ministry of Commerce, which enacted the ban at the request of the Consumer Affairs department, did not immediately respond to an email requesting comment on how long the export ban would last.

Onion growers and government officials expected the ban would be lifted by the middle of November anticipating higher supplies from



Workers of a retail chain sort onions at Manchar village in Pune, India.

the summer crop.

Sakharam Darekar, a 79-year-old farmer from the village of Ghodegaon, 180 km (108 miles) east of Mumbai, said that last month's heavy rainfall left fields waterlogged for several days and damaged the onion crop on his 2-acre (0.8 hectares) plot that was ready for harvesting.

The rains have also delayed planting of the winter-sown crop by damaging seedlings in nurseries.

"I want to plant onion but seedlings are not

available," said Dinesh Khairnar, a farmer in the Nashik district of Maharashtra.

Since India's ban, onion prices have spiralled in Asia and forcing leading buyers such as Bangladesh and Sri Lanka to source the crop from Myanmar, Egypt, Turkey and China. But the hefty volumes lost will be hard to replace as India exports more than 2 million tonnes onions per year.

"China or Egypt cannot replace the entire Indian supplies. Asian buyers are waiting for Indian supplies," said a Mumbai-based exporter.

# Housing sector gets a shot in the arm

Home loans ceiling raised to Tk 2cr

STAR BUSINESS REPORT

The central bank yesterday increased the ceiling for home loans by 66.66 percent to help the expanding middle class buy properties and build houses amid the price hike of construction materials.

As a result, a single client will be able to avail a maximum of Tk 2 crore in home loans compared to Tk 1.20 crore previously, according to a central bank notice sent out to all lenders.

The Bangladesh Bank, however, kept unchanged the debt-equity ratio at 70:30, meaning clients will be allowed to receive up to 70 percent of the total construction cost of homes from commercial banks.

As per the central bank notice, rising per capita income, the growing middle class, and the price increase of construction materials motivated the decision.

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The move to raise ceilings for home loans will not only help the real estate sector but also the backward linkage industries, realtors said.

# Tk 9.6 lakh stolen from Pubali ATMs

STAR BUSINESS REPORT

Fraudsters have taken away Tk 9.60 lakh from three automated teller machines (ATMs) of Pubali Bank in Chattogram and Cumilla.

The Daily Star has obtained two video clips of two fraudsters taking away the money from the booths – two in Chattogram and one in Cumilla – of the bank.

Some Tk 9.60 lakh was looted from the ATM booths on November 17 and 18, Shahidur Rahman, additional deputy commissioner (east) of Detective Branch of police, told The Daily Star yesterday.

Police are trying to arrest the criminals, Rahman added.

Abdul Halim Chowdhury, managing director of Pubali Bank, told The Daily Star that the fraudsters looted Tk 2-3 lakh from each ATM booth in Cumilla and Chattogram.

The bank has already filed a case in this connection and sent the video footages of the incidents to police, he said, adding that the police are now investigating the matter.

Chowdhury, however, said it was not an incident of hacking by breaking into a bank's system. Somehow, fraudsters were able to open up the machine and took away the money, he said.

People from the ATM service provider may be involved in the incident, he added.

# No more card payment for Uber and Uber Eats

STAR BUSINESS REPORT

Different banks have barred their clients from making payment for Uber with credit cards as the ride-hailing service debits the fund from the foreign currency quota.

The central bank instructed banks last week that payment for purchase of goods and services originated and sold in Bangladesh would not be settled through international cards.

Uber does not maintain any taka account with local banks to debit fund from clients' credit card, said a Bangladesh Bank official.

Rather, it debits the required amount from cardholders who maintain foreign currency, he said.

The ride-hailing service has not provided any tax to its repatriated money abroad, which is a regulatory violation, he said.

Eastern Bank yesterday informed its credit cardholders that payment for Uber and Uber Eats are not permitted through its card due to a regulatory decision.

Earlier on October 15, Standard Chartered Bank also gave the same instruction to its clients, saying payment for using Uber in Bangladesh is being settled in foreign currency by the ride-hailing service.

"The fund is subsequently adjusted from your (card holders) travel quota endorsed in credit card. Existing foreign exchange regulation does not allow payments in foreign currency for services availed from within Bangladesh."

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# Minister seeks reasons for decline in foreign aid use

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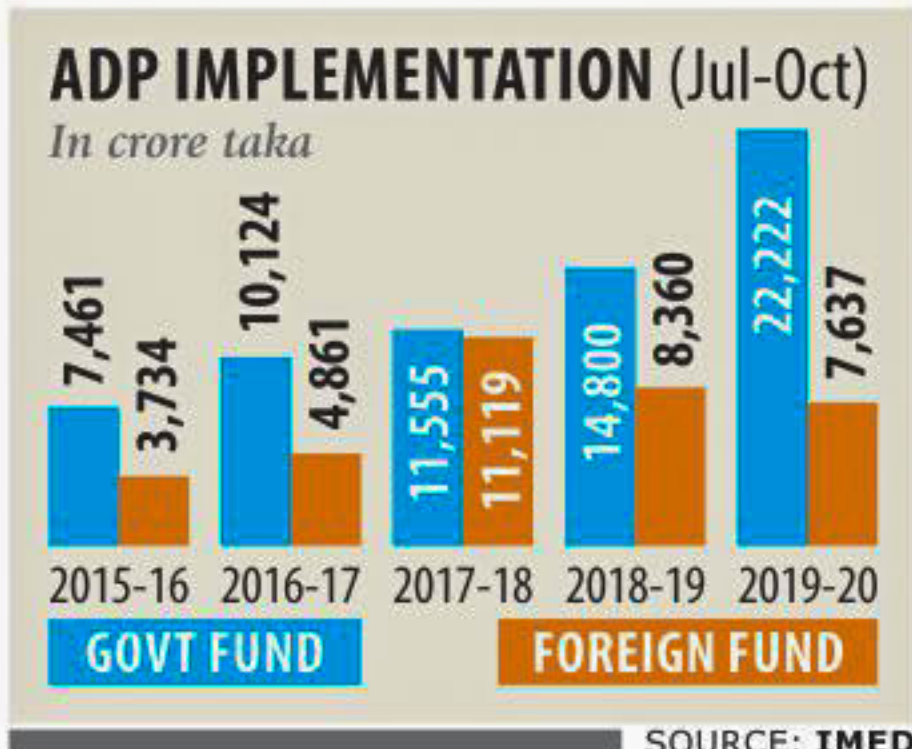
Planning Minister MA Mannan yesterday directed two secretaries to sit with officials concerned to pinpoint the actual reasons behind a decline in foreign aid utilisation last fiscal year despite a huge amount of it being available.

The directive came at a special meeting with secretaries and development wing chiefs of all ministries and divisions on various inconsistencies in project formulation and review of implementation of the annual development programme (ADP).

The two secretaries are from the Implementation Monitoring and Evaluation Division and Economic Relations Division.

During the meeting at the National Economic Council, senior planning ministry officials criticised the line ministry officials for the low utilisation, said sources.

Foreign aid utilisation in the ADP dropped by 8.14 percent over the first four months of the current fiscal year although



the government had targeted an ambitious amount.

Between July and October, some Tk 7,637 crore was utilised whereas it was Tk 8,360 crore in the corresponding period last fiscal year.

The government has targeted to spend Tk 71,800 crore or over \$8 billion from the foreign funds for ADP implementation this fiscal year. Foreign aid in the pipeline has surged to a record \$48.11 billion as of July 1.

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# Agri food processors eye \$1b in exports

Int'l expo kicks off in Dhaka tomorrow

STAR BUSINESS REPORT

Agricultural food-processing entrepreneurs yesterday said they can raise their annual exports by more than 40 percent to \$1 billion within 2021 through adoption of advanced technology.

Shipment by the agricultural food-processing sector stood at around \$700 million in the last fiscal year.

"The agro-food processing sector needs to adopt advanced technology to fulfill the plan of exporting products worth \$1 billion a year," said Ahsan Khan Chowdhury, chairman and chief executive of Pran-RFL Group, the largest agriculture food processor in Bangladesh.

He said the sector would play an important role in diversifying Bangladesh's export basket as the country's processed foods have demand in the international market, especially in India.

His comments came at a press conference at the auditorium of the Economic Reporters' Forum in Dhaka yesterday.



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Pran-RFL Group Chairman Ahsan Khan Chowdhury speaks at a press conference at the auditorium of the Economic Reporters' Forum in Dhaka yesterday.

The Bangladesh Agro-Processors' Association (Bapa) and Rainbow Exhibition & Event Management Services Ltd (Reems) jointly organised the briefing.

The media briefing was organised

to announce the schedule of the seventh Bapa Foodpro International Expo 2019, set to kick off at the International Convention City Bashundhara tomorrow.

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# New tariff halts stone import via Sonamasjid land port

OUR CORRESPONDENT, Chapainawabganj

Traders have stopped importing Indian stone through Sonamasjid Land Port of Shibganj upazila in Chapainawabganj since Sunday protesting a hike in tariff rates.

Previously Tk 783 was charged on each stone-carrying Indian truck, some 150 of which enter on an average every day through the port carrying loads of up to 30 tonnes.

But the port authority has now imposed a rate of Tk 150 per tonne.

Because of the new tariff, an importer will have to count at least Tk 4,500 for each truck carrying 30 tonnes of stone, which is primarily used in construction.

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