

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES									
As on Sunday								STANDARD CHARTERED BANK									
DSEX	0.35%	CSCX	0.43%	Gold	\$1,473.90	Oil	\$65.33	MUMBAI	0.17%	TOKYO	0.29%	SINGAPORE	0.25%	SHANGHAI	0.56%		
4,498.49	8,295.79	(per ounce)	(per barrel)	40,938.72	23,952.35	3,206.09	2,984.39	BUY TK	83.95	92.54	111.27	0.75	SELL TK	84.95	96.34	115.07	0.79

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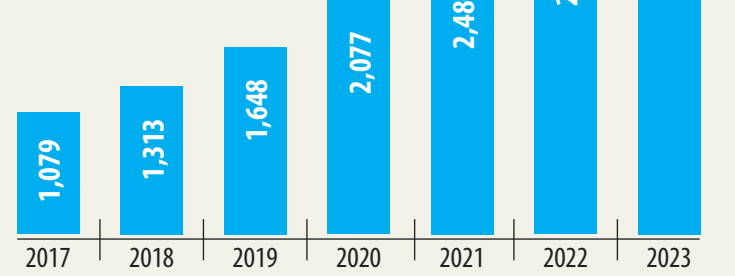
E-commerce sales to reach \$3b in 4 years

German research firm says



BANGLADESH'S E-COMMERCE MARKET SIZE

In million\$



SOURCE: STATISTA.COM

MUHAMMAD ZAHIDUL ISLAM

Bangladesh's e-commerce market stands at \$1.6 billion currently and will double to \$3 billion by 2023 on the back of a digital foundation laid down by the government and a young and tech-savvy population, a German research firm said recently.

In terms of e-commerce revenue, Bangladesh is ranked 46th in the global ranking, according to Statista, the online portal for

statistics that makes available data collected by market and opinion research institutes and that derived from the economic sector and official statistics.

Market players, however, were divided over the findings of the report.

Razib Ahmed, founding president of the e-Commerce Association of Bangladesh (e-CAB), welcomed the report, saying the figure the German firm came up with is credible.

"Thanks to my connection to a large group of online businesses, I see that the market size has already crossed \$1 billion-

mark and this has now been acknowledged by an international agency," he said.

However, Fahim Mashroor, chief executive officer of AjkerDeal.com, one of the popular e-commerce sites, contradicted the Statista figure, saying the market size would be a maximum \$500 million.

"Maybe, the market has the potential but right now this is an overestimation," said Mashroor, a former president of the Bangladesh Association of Software and Information Services.

However, he acknowledges that online shopping has grown tremendously in recent times.

The e-commerce market encompasses the sale of physical goods via a digital channel to an end-user. Purchases via desktop computers and mobile devices, such as smartphones and tablets are also included.

Industry players say the growing smartphone penetration with 4G network and rising purchasing power of consumers are propelling the e-commerce industry across the world, and Bangladesh is not out of the market.

Ahmed, a community leader of Facebook in Bangladesh, said the industry should be thankful to the Information Communication Technology Division for its enormous support extended to the sector in the last five years.

According to the Statista report, the online fashion market in Bangladesh is currently worth \$598 million and it has the prospect to reach up to \$1.24 billion by 2023.

Electronic products amounting to \$457 million and furniture and appliances worth about \$196 million are sold online.

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NEW INVESTMENT RULES

Life insurers' deposits with NBFIs curtailed

AHSAN HABIB

The Insurance Development and Regulatory Authority (IDRA) has recently come up with a set of new investment rules for life insurance companies in a bid to minimise risks and ensure safety of policyholders' money.

The prime one is a reduction in the amount of asset a life insurance provider can keep in a non-bank financial institution (NBFI). It has been limited to 10 percent, which might deepen the ongoing liquidity crisis of the lenders.

As per previous rules framed in 1958, the insurers were permitted to keep 50 percent of their assets in the form of fixed deposits in banks or the NBFIs. There was no specific mention.

Insurance companies usually opted for the NBFIs as they offered higher returns than banks. As had been before, life insurance companies must invest at least 30 percent of their funds on government securities.

Of the remaining 70 percent, 10 percent will be allowed to be kept with the NBFIs as fixed deposits.

The IDRA brought such visibility in its recently published Insurance Regulations 2019.

"Our capacity to keep fixed deposits in NBFIs will shrink," said a senior official of a leading life insurance company.

Even, some of the life insurers now have to withdraw funds from the NBFIs to comply with the regulations, he added.

A number of insurers welcomed the changes, saying it would strengthen risk management of the insurance companies.

Gokul Chand Das, member of the IDRA, said life insurers have to comply with the decision but they would be given time.

"We will give them time to adjust their funds because we know it is not possible to rearrange some of their money overnight," he said.

However, he cautioned that companies must comply with the regulations for the sake of both themselves and their

As per previous rules framed in 1958, the insurers were permitted to keep 50 percent of their assets in the form of fixed deposits in banks or the NBFIs

policyholders.

"The new regulations will give them a clear guideline and it will ensure safety of their assets."

According to the new regulations, life insurers will be allowed to keep their fixed deposits solely in those NBFIs which have at least an "A" rating or a similar grade.

Moreover, a maximum 2 percent of assets can be kept with a single NBFI.

A maximum of 60 percent of assets can be invested as fixed deposits with scheduled banks.

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Bangladesh can weather ongoing global recession

Finance minister says on Victory Day

STAR BUSINESS REPORT

The Bangladesh economy is in an advantageous position to combat the global economic challenges posed by the US-China trade war thanks to the solid growth clocked in over the past decade, said Finance Minister AHM Mustafa Kamal.

The global economy is stressed due to the trade war, which can go on to become a recession, which would be the third in the past three

decades.

In the past two recessions -- the one in 1997 and the other in 2008 -- Bangladesh came out of them unscathed and this time too it will, he said at a rally on the occasion of victory day organised by Bangladesh Awami League, Cumilla South.

"The Bangladesh economy is passing through the most beautiful time."

The ongoing trade war has already

taken the momentum of many country's economy. For instance, China's growth has crashed from 14.4 percent to 7 percent.

"But Bangladesh's economy is forging ahead," he said, while citing the 8.15 percent GDP growth logged in fiscal 2018-19 to further his point. It was the fastest in the Asia-Pacific region, according to the Asian Development Bank.

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RAW MATERIALS FOR CEMENT

Middle Eastern suppliers eye Bangladesh

JAGARAN CHAKMA

Middle East-based cement raw materials exporters are keen to expand their sales in Bangladesh as the country is increasingly scaling up its manufacturing capacity to produce the key construction material to feed the growing economy.

Cement manufacturers imported raw materials such as clinker, fly ash, iron slag, lime stone, and gypsum worth \$1.35 billion last year, according to industry people.

Of the imports, clinker accounted for \$900 million and the rest cost \$450 million, according to Ikram Ahmed Khan, managing director of Shun Shing Group, Hong Kong.

Cement industry grew at over 15 percent to reach \$3 billion in 2018.



Clinker is key raw material for cement

This tremendous growth rate is enough to draw foreign raw material suppliers, market players said.

The demand for raw materials is increasing in line with the expansion of the manufacturing capacity, they said.

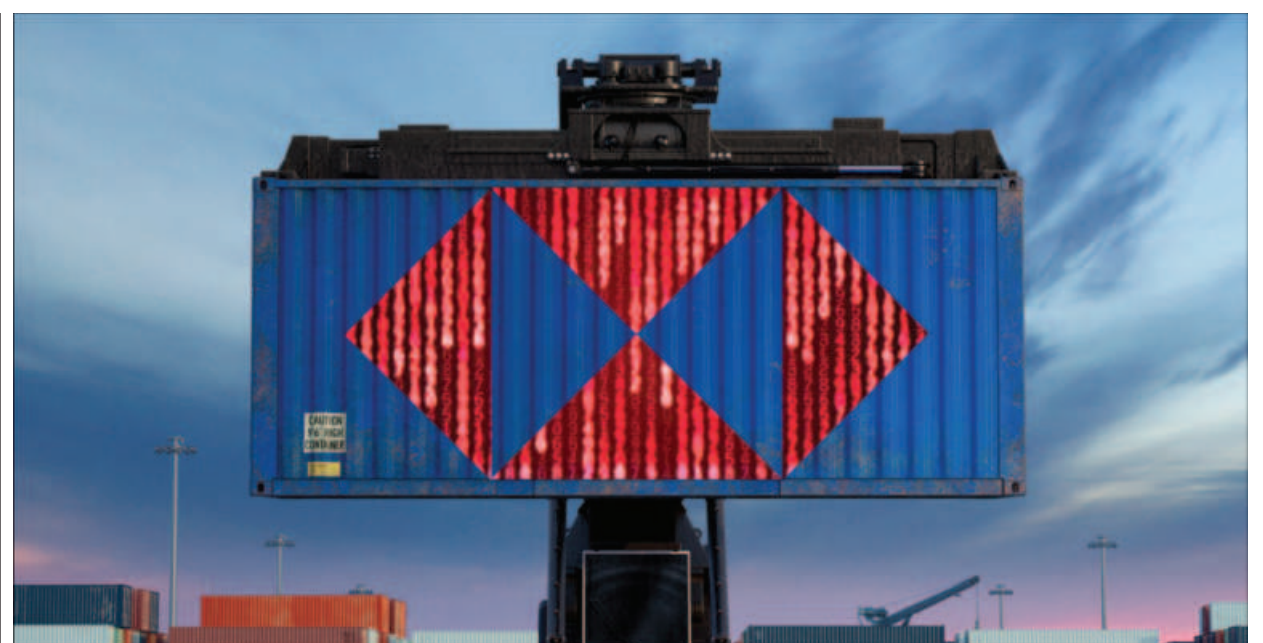
While taking part in a three-day conference styled "Intercem Dhaka" organised by UK-based Intercem at Le Méridien Dhaka recently, M&B

of Dubai as well as Al Jood Natural Resources and Salalah International Gypsum Company, both based in Oman, searched for new clients. They are already exporting cement-related raw materials to Bangladesh.

"The demand for the raw materials of the cement industry in Bangladesh will double within next four years. So, my company sees room for business expansion," said Sameer Jalal, marketing manager of Salalah International Gypsum Company.

He said Bangladesh's economy has been achieving steady growth for the last decade and the government is implementing a lot of infrastructure projects where a huge quantity of cement would be required.

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- Export Excellence - Nontraditional and Emerging Sectors
- Best in Import Substitution
- Leader in Inbound Investment
- Infrastructure Excellence
- Special Achievement Award

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