

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▼ 1.74%	▼ 1.74%	\$1,476.80	\$65.63	▲ 1.01%	▲ 0.47%	▼ 0.16%	▲ 1.27%	83.95	92.76	111.02	0.75	
4,419.82	8,151.43	(per ounce)	(per barrel)	41,352.17	24,066.12	3,200.80	3,022.42	BUY TK	84.95	96.56	114.82	0.79

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DHAKA WEDNESDAY DECEMBER 18, 2019, POU 3, 1426 BS • starbusiness@thedailystar.net

Stocks nosedive to three and a half-years low

Selloff by foreign investors, banks' portfolio adjustment cause the slide

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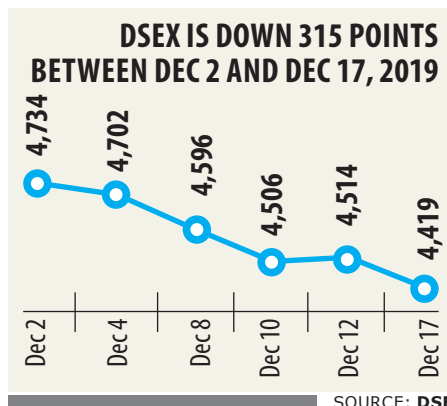
Dhaka stocks suffered a huge fall yesterday as skittish foreign investors went for sell-offs fearing currency devaluation amid policy uncertainty and year-end portfolio adjustments by banks, sending the key index to its three-and-a-half year low.

The benchmark -- the DSEX -- dipped 78.66 points, or 1.74 percent, to close the day at 4,419.82. In the last two days, the market lost Tk 18,928 crore from its market capitalisation.

Analysts say foreign investors are selling more shares than they purchase because of the fear that the local currency might be devalued, while some banks and non-banks sold shares to adjust their portfolios as 2019 is approaching its end.

General and institutional investors are also not investing due to a lack of confidence in the market.

"Forced sale execution is one of the



main reasons for the recent fall," said Khairul Bashar Abu Taher Mohammed, chief executive officer of MTB Capital, a merchant bank.

If the securities bought with margin loans decrease past a certain point, lenders can legally force the investors to sell some of their assets to save the fund lent.

Bashar, also the general secretary of the Bangladesh Merchant Bankers Association, said many brokers and merchant banks hadn't executed forced sales in recent times in the hope that the market would make a turnaround.

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GPS, GIS technologies to govern farm loans

AKM ZAMIR UDDIN

Banks will give out farm loans based on satellite data so that farmers get credit without any hassle and cultivate crops in the appropriate land and atmosphere.

The central bank has already taken a move to this end as per instruction given by the ICT division of the Ministry of Posts, Telecommunication and Information Technology, a central bank official said.

Farmers are now required to submit a number of physical documents to get farm loans while many banks spend one to two months to complete the credit disbursement process, he said.

There are many instances where farmers had been exploited by intermediary groups while availing the loans.

But the upcoming satellite-based platform will help farmers get the credit within a maximum of three days, which will also decrease the operational cost of lenders.

Banks will implement the new system by way of using the global positioning system (GPS) and geographic information system (GIS).

The GPS and GIS will enable the coupling of real-time data collection with accurate land position information, leading to efficient manipulation and analysis of large amounts of geospatial data.

The GPS is a set of hardware and software designed to determine accurate locations on the earth

using signals received from selected satellites. Location and associated data can be transferred to mapping and the GIS.

The GPS and GIS-based applications in precision farming

But the ministry in its letter sent to the central bank on June 11 said the new method would be implemented by 2021.

The central bank has recently organised a meeting internally to set

future use.

The technologies will not only help banks but also farmers at tandem for selecting the proper crops matching the quality of land, soil and atmosphere, the BB official said.

A detailed database of farmers from across the country will be created for implementation of the programme, the central bank official said.

As part of the move, the central bank has started creating a mobile app where farmers will provide their data in detail, including their national identity number, location, amount and registration number of their land, cultivated crops and so on.

"This means every farmer will open digital account through using the app. And all accounts will be gathered in the platform, which will be considered digital database," the official said.

Farmers will apply for farm loans through their app, which will help banks verify their information by the GPS and GIS.

The GPS and GIS will help banks monitor the farm sitting at their office, which will bring down their operational costs.

The new system will ensure the viability of lenders' farm loan disbursement programme as they will collect the detailed data relating to the quality of land and its surrounding atmosphere, where they will disburse farm loans.

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will be used for farm planning, field mapping, soil sampling, crop scouting, yield mapping and so on, according to a central bank paper.

This is a new idea for the country, but many other countries including the United States have already implemented the technology, helping them to cultivate more crops than what they earlier produced, the official said.

The BB, however, is yet to set any deadline for completion of the process.

a roadmap on ways to implement the new method.

As part of the move, the BB will form a committee soon, which will set a deadline to implement the programme.

Under the methods, farmers will also be able to achieve additional benefits by combining better utilisation of fertilisers and other soil amendments, determining the economic threshold for treating pest and weed infestations, and protecting the natural resources for

Bike, AC, compressor makers get tax benefits till 2032

SOHEL PARVEZ

The National Board of Revenue (NBR) has extended the reduced tax benefit to the manufacturers of motorcycle, air conditioner and compressors to June 2032 although it doubled the rates.

Manufacturers will have to pay 10 percent tax on their incomes for the years till 2032, up from 5 percent previously, according to a gazette notification issued by the NBR last week.

For the firms that had been enjoying 5 percent tax prior to the latest move will be able to pay the same rate of tax until the expiry of the initial tenure.

And, they will have to apply to the NBR to avail 10 percent tax benefit, down from 35 percent regular tax rate for companies, according to the NBR.



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Price cuts and increasing purchasing capacity boosted sales of motorbikes.

The move comes at a time when seven local and foreign brands of bikes have set up manufacturing facilities and are making the two-wheeler to market locally.

Reduced tariff rates for firms to import basic raw materials and semi-finished products of bikes and the value added tax (VAT) benefit for local manufacturing offered by the NBR encouraged enterprises to set up bike-making facilities in the country, which had met its domestic requirement by importing the two-wheelers in completely knocked down form until 2010.

Similarly, a couple of local firms, including Walton, are making air conditioners and compressors to cater to a rising demand among the middle and upper middle income groups.

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E-commerce can spur growth in South Asia

World Bank report says

PALLAB BHATTACHARYA, New Delhi

E-commerce has the potential to stimulate economic growth across South Asia and boost trade between the countries of the region but its potential remains largely untapped, says a new World Bank report.

Launched in New Delhi on Monday, the report - Unleashing E-Commerce for South Asian Integration - said e-commerce has the potential to stimulate economic growth across South Asia and boost trade between the countries of the region but its potential remains largely untapped.

The report pointed out that although e-commerce has grown significantly in South Asia, online sales accounted for a mere 1.6 and 0.7 percent of total retail sales in India and Bangladesh, compared to 15 percent in China and around 14 percent globally.

Increasing the use of e-commerce by consumers and firms in South Asia could potentially help increase competition and firm productivity and encourage

diversification of production and exports, the report said.

"E-commerce can boost a range of economic indicators across South Asia, from entrepreneurship and job growth to higher GDP rates and overall productivity," said Sanjay Kathuria, lead economist of the WB and a co-author of the report.

"While cross-border trade within South Asia represents only 5 percent of the region's total trade, e-commerce has the potential to stimulate regional trade by bridging the gap between buyers and sellers on different sides of national borders," said Viviana Perego, agriculture economist of the WB and a co-author of the report.

The report said while Indians and Pakistanis make substantial use of online connectivity, other countries like Bangladesh and Nepal fare worse than many African nations along most e-commerce indicators.

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Sustainability practices offer \$51b business opportunities

Global Reporting Initiative says about Bangladesh

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Sustainable businesses can unlock new market opportunities worth \$51 billion in Bangladesh and \$5 trillion

in Asia by 2030, according to the Global Reporting Initiative's (GRI) Sustainability Reporting Framework.

The GRI identified seven areas for sustainable business practices

by companies: women care, skill development, equal pay, employing with disability, environmental sustainability, product diversification, and innovation.

Based in Amsterdam, the GRI is an international independent standards organisation that helps businesses, governments and other organisations understand and communicate their impacts on issues such as climate change, human rights and corruption.

It produces the Sustainability Reporting Framework that is widely used around the world to enable greater organisational transparency, said Aditi Halder, director for the GRI South Asia, at a workshop on sustainability reporting at the Amari Hotel in Dhaka.

HSBC and the United Nations Development Programme (UNDP) jointly organised the event in which government officials, garment exporters, merchandisers, sustainability experts, and factory owners participated.

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Md Abul Kalam Azad, third from left, former principal coordinator for SDGs affairs at the Prime Minister's Office, attends a workshop on sustainability reporting at the Amari Dhaka hotel yesterday.

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