

STOCKS		As on Wednesday	
DSEX 5,123.06	CSCX 8,869.89	0.46% 0.40%	8,869.89

COMMODITIES	
Gold \$1,856.21 (per ounce)	Oil \$50.70 (per barrel)

ASIAN MARKETS			
MUMBAI 46,666.46	TOKYO 26,757.40	SINGAPORE 2,872.80	SHANGHAI 3,366.98

CURRENCIES					
BUY TK 84.95	USD 83.95	EUR 100.98	GBP 111.04	CNY 12.64	STANDARD CHARTERED BANK
SELL TK 84.95	USD 84.95	EUR 104.78	GBP 114.84	CNY 13.28	

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BUSINESS

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Akij to go big at Bangabandhu Shilpa Nagar



INVESTMENT AT A GLANCE

SECTOR	NUMBER OF INDUSTRIAL UNITS	INVESTMENT (IN CRORE TAKA)	JOBS TO BE CREATED
Chemical	4	825	600
Health and hygiene	4	1,000	1,100
Light engineering	1	50	150
Agribusiness	3	680	320
Food and beverage	6	925	570
TOTAL	18	3,480	2,740

SOURCES: BEZA

JAGARAN CHAKMA

Akij Venture, a concern of Akij Group, has expressed its intention to invest Tk 3,480 crore to set up 18 manufacturing facilities at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Chattogram.

The investment will be made over the next 10 years in three phases.

An initial proposal for the investment project has already been placed with the

Bangladesh Economic Zones Authority (Beza) for approval, said Ferdoush Saleheen, chief supply chain officer of Akij Venture.

"Akij Group always makes quality investments and ensures the development of international standard facilities to grab the domestic and global markets," he said.

As per the plan, Akij Venture would make the investment to establish production facilities, which will create 2,740 new jobs.

Although the project is still in its early stage, Akij Venture has sought cooperation from the Beza to help materialise its plans by providing required land.

Akij Venture has sought 307 acres of land at the BSMSN to accommodate the project, which includes a private port to load and unload goods.

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DISPLAY CENTRE
Nasir Trade Centre
(2nd Floor)
89 Bir Uttam C.R. Dutta Road
(Sonargaon Road)
Dhaka 1205, Bangladesh
Hotline: 01713 656565

Banks to shell out another Tk 1,350cr on stocks

The investment thru a BB incentive may boost investor confidence

AHSAN HABIB

Banks are going to invest an additional Tk 1,350 crore in the stock market by utilising Bangladesh Bank's incentive, a development that will likely to boost both liquidity flow and investor confidence.

The highest investment commitment came from United Commercial Bank followed by Rupali, Pubali and Janata.

As of December 10, lenders had invested Tk 700 crore in the market but the additional investment will likely to flow into the market in the coming months, according to central bank data.

The move comes at a time when local banks are facing excess

liquidity due a lack of demand for loans because of a possible second wave of the pandemic.

The Covid-19 outbreak is also affecting investment decisions, because of which prices of many stocks are staying relatively low.

"We have decided to invest in the stock market as many scripts are still lucrative and it might be profitable if the investment can continue for a long time," said a top official of a scheduled bank, preferring anonymity.

"Profitability in the banking sector is in danger due to the ongoing pandemic. So, we are searching for every possible way to utilise our funds," he added.

According to the official, local entrepreneurs are struggling amid



TAKEAWAYS

- UCB to make the highest investment followed by Rupali, Pubali and Janata
- Banks will benefit from lucrative prices of stocks
- The new fund will boost investor confidence
- On Feb 10, banks were allowed to build up a Tk 200cr fund each thru repurchase deal with BB
- As of Mar 24, lenders invested only Tk 30cr in total
- As of Dec 10, the amount hit Tk 700cr

the Covid-19 outbreak, which may turn many good borrowers into defaulters.

As per Bangladesh Bank data, lenders have decided to invest in the stock market mainly after the outbreak began in early March, several weeks after the central bank had offered an incentive in the form of a Tk 200 crore fund.

On February 10, the banking regulator rolled out a package that allows banks to set up a Tk 200 crore fund by taking it from Bangladesh Bank through a repurchase agreement against treasury bills and bonds owned by them.

But as of March 24, lenders had invested only Tk 30 crore in the stock market under the initiative.

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Covid restrictions in Europe add to woes of garment suppliers

REFAYET ULLAH MIRDHA

Lockdowns and tightening of coronavirus restrictions ahead of Christmas in several European countries to tackle the second wave of infections have started adding to the woes of garment exporters in Bangladesh.

Europe is the largest trading bloc for Bangladesh and accounts for more than 60 per cent of the country's exports.

Of the total shipment to the EU, more than 90 per cent are apparel items.

Last fiscal year, apparel shipment stood at \$27.95 billion, which was \$12.49 billion in FY10.

The apparel shipment has been facing a crisis from the onset of the unprecedented pandemic. Recently, it has started recovering from the first phase of the pandemic-induced shock. But the second wave, which started from September, may nip the early recovery in the bud.

Most of the major export

destinations such as Germany, France, Spain, the Netherlands, and Italy have either announced lockdowns or are considering to

announce strict measures to restrict the movement of people following a surge of infections in recent weeks.

MAJOR POINTS

- Pre-Christmas sales in Europe to be affected by fresh lockdown
- Bangladesh's apparel shipment to Europe will bear the brunt
- Bangladesh's total export to EU is \$27.95b
- Of the amount, more than 90% is apparel
- Christmas sales plunged 21% so far (year-on-year) in Europe
- Bangladesh's work orders from EU dipped 30% for the Dec-Mar season



A deserted fruit and vegetables market is seen on the first day of a nationwide lockdown due to the coronavirus disease outbreak in Bonn, Germany yesterday.

REUTERS

Pandemic slows green finance initiatives

Experts call for raising the game to cope with changing climate

AKM ZAMIR UDDIN

Ananta Apparel and Universal Menswear -- two concerns of Ananta Group located in the Adamjee export processing zone in Narayanganj -- built green factories around four years ago.

The factories have adopted better waste disposal methods, low-carbon emission technologies, energy efficient appliances and many other technical know-hows in order to produce goods in an environment-friendly manner.

"An additional investment of 15 to 20 per cent was needed to set up the green factories compared to the funds required to build a traditional industrial unit," said Sharif Zahir, managing director of Ananta Group.

"We already got back the extra investment as the production cost at a green factory is usually lower than that in a traditional unit," he said.

Three or four banks financed Ananta Group's project to set up the two factories, where around 10,000 workers are employed.

Alongside Ananta Group, 123 other businesses related to the garment sector have set up green factories, which have brightened the country's image before the outside world.

Following the collapse of Rana Plaza building in April 2013, international communities raised concerns over the garment sector's compliance with global standards.

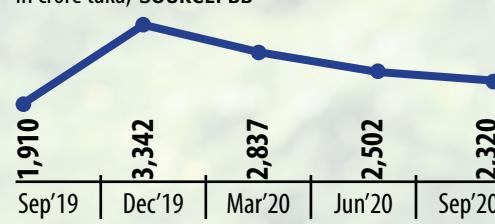
As a result, local apparel producers took the extraordinary initiative to construct green factories, improve workplace safety and protect the environment from industrial pollution.

But the country's other industrial sectors are still far off from setting up such climate-friendly industrial units.

For instance, only one shipbreaking yard -- the PHP Ship

GREEN LOANS DISBURSED BY BANKS

In crore taka; SOURCE: BB



TOP BANKS IN GREEN LOAN DISBURSEMENT

In crore taka; Jul-Sep

SOURCE: BB



Breaking and Recycling Yard -- has so far turned into a green one.

There are around 150 shipbreaking yards in the country, which is a cause for concern considering their level of pollution.

Although the central bank started a journey in 2009 to pursue banks for loan disbursement for setting up green factories, the initiative has yet to gain momentum in keeping with the size of the country's economy and the latest measures taken by the global community.

The outstanding loans under green finance stood at Tk 28,529 crore as of September this year, up 131 per cent year-on-year, central bank data showed.

But September's figure is only 2.50 per cent of the outstanding loans to the tune of Tk 11,41,086

crore in the banking sector.

"The outstanding figure has not reflected the whole image of Bangladesh Bank's efforts," Khondkar Morshed Millat, general manager of the Sustainable Finance Department of the central bank, told The Daily Star.

The figure was calculated after the deduction of the previous loans disbursed by banks and non-banking financial institutions (NBFI), he said.

The central bank is forming a sustainable finance policy for banks and NBFI, which would give a boost to green banking in the days to come, he said.

"This will help fight the adverse impacts of climate change," said Millat.

Green banking is a genre of

banking practices which considers all social, environmental and ecological factors with an aim to protect the environment and conserve natural resources. It is also called ethical banking or sustainable banking.

The ongoing economic hardship caused by the coronavirus pandemic has also dealt a fatal blow to the green finance initiatives taken by banks.

Between July and September, banks gave out Tk 2,320 crore, down 7.27 per cent from that of three months ago and 30 per cent from the final quarter of last year.

However, loan disbursements under green finance in the third quarter of this year increased 21.46 per cent from that of a year ago, when banks gave out Tk 1,910 crore.

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DSE ordered to halt direct listing of Best Holdings

Laws don't permit direct listing of private companies

STAR BUSINESS REPORT

The regulator has ordered the Dhaka Stock Exchange to stop the procedure to discuss a proposal on allowing the direct listing of Best Holdings Ltd as private companies can't raise funds from the capital market without initial public offerings.

The board of the DSE was set to discuss the proposal at a meeting today.