

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.29%	▲ 0.62%	\$1,801.34	\$74.10	▲ 0.26%	▲ 0.58%	▼ 0.07%	▼ 0.68%	BUY TK 83.95	97.75	114.50	12.73
6,424.21	11,216.85	(per ounce)	(per barrel)	52,975.80	27,548.00	3,157.05	3,550.40	SELL TK 84.95	101.55	118.30	13.39

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BUSINESS

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 starbusiness@thedailystar.net

Hefty incentives for state bank employees

BB recommendation ignored

AKM ZAMIR UDDIN

Four state-owned commercial banks (SCBs) have disbursed a huge amount of incentive bonus among their employees despite their weak financial health, ignoring the central bank's recommendation.

In a letter on June 20, the Bangladesh Bank requested the finance ministry to prevent the SCBs – Sonali, Janata, Agrani and Rupali – from paying incentives given their poor financial health and a lack of corporate governance.

But the Financial Institutions Division (FID) of the ministry did not take any initiative to deter the banks from disbursing the bonus based on the business performance of 2020.

Sonali provided four incentive bonuses to its employees, while Agrani gave away

KEY POINTS

- » Finance ministry ignores BB recommendations
- » Sonali Bank faces capital shortfall of Tk 3,064cr
- » Provision shortfall at Agrani and Rupali stands at Tk 1,319cr and Tk 822cr respectively
- » Janata incurs net loss of Tk 5,054cr
- » BB has long been raising objections against state banks' incentives



RAJIB RAIHAN

Containers loaded with imported goods pile up at the Chattogram port as delivery and other activities came to a standstill during the Eid holidays. Release of containers did not pick up in the last two days as well, prompting the authorities to sound alarm about congestion. The photo was taken yesterday.

Stimulus going to unproductive sectors

BB calls for strict monitoring

STAR BUSINESS REPORT

Bangladesh Bank yesterday directed the country's lenders to increase monitoring on how loans from the stimulus packages were being used as it found some cheap funds being channelled into unproductive sectors.

In some cases, borrowers are also adjusting other credits with the loans received under a stimulus package, the central bank said, adding that some lenders were also lingering on disbursing approved loans.

Senior officials of Bangladesh Bank said they found some stimulus funds were even being used in real estate and the stock market as economic activities remained sluggish in the face of recurring waves of Covid-19.

The DSEX, the benchmark index of Dhaka Stock Exchange, hit a new high yesterday.

"The core objective of the stimulus package will be affected unless the directives to implement the incentive packages are properly followed and it is in no way desirable," said the central bank.

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BB questions three non-banks' fierce SMS marketing

AKM ZAMIR UDDIN

Bangladesh Bank yesterday sent show-cause letters to three non-bank financial institutions (NBFIs) over their aggressive attitude in mobilising deposits, which was a breach of rules.

The three are LankaBangla Finance, Prime Finance and Investment, and First Finance.

They have been persistently sending SMS (short message service) to clients' mobile phones for long in an attempt to mobilise deposits with offers of high interest rates ignoring a central bank notice.

The June 2018 notice asked all NBFIs to refrain from mobilising deposits by sending SMS with offers of high interest rates.

"This has created an awkward situation for clients," said the notice. Bangladesh Bank sought an explanation in seven working days on why punitive measures should not be taken against the three.

Failure to provide a satisfactory answer will result in a penalty, said BB officials. Lanka Bangla rolled out a deposit product called "Quick Shonchoy" which now offers excessive interest, so much so that clients would be able to get threefold the amount deposited at the NBFI.

The scheme has a maturity period of 54 months.

Contacted, Khurshed Alam, head of retail business at LankaBangla Finance, said they had not violated the central bank rules as they had not mentioned interest rates in the SMS.

"We just mentioned when the product will reach maturity," he said.

First Finance now offers a 9.50 per cent interest rate against their fixed deposit scheme, according to a central bank report.

Prime Finance and Investment is providing Tk 1,022 in interest per month against deposits of Tk 1 lakh.

All of them are sending SMS to clients, describing features of different deposit products, including the three schemes.

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Container delivery hits rock bottom

Fresh congestion looms over Ctg port

DWAIPAYAN BARUA, Chattogram

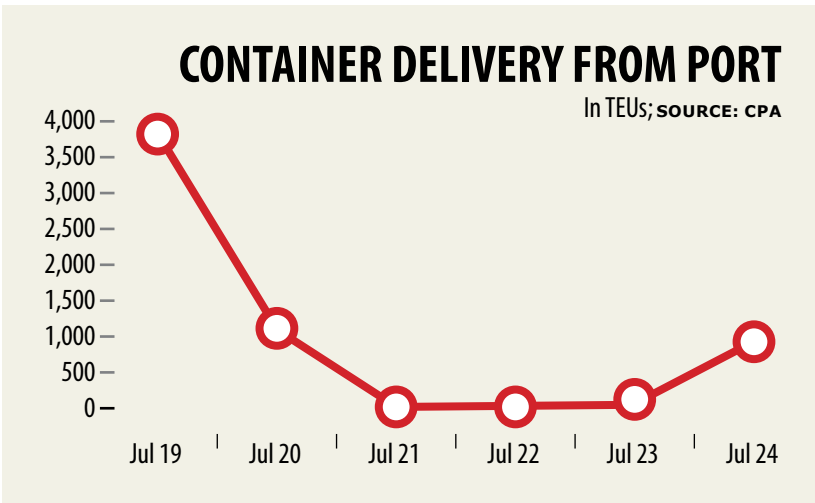
Import containers are piling up at an alarming rate at Chattogram port due to the worst delivery during the Eid holidays and the subsequent poor release of goods for the fresh lockdown, which could cause congestion anew.

Importers say they cannot receive imported goods as their factories are shut because of the strict lockdown, which began on July 23.

Under the circumstances, the chairman of the Chittagong Port Authority (CPA) requested the shipping secretary on Saturday to take necessary steps to convince the National Board of Revenue (NBR) to allow shifting of all types of import load containers to the 19 private inland container depots (ICDs) and arranging delivery from there for at least the next two months.

The chairman expressed concerns that if the delivery did not pick up, the port's operational activities would come to a halt within two or three days.

The shipping ministry and the NBR moved fast. The NBR yesterday permitted to move the containers to



the ICDs to unstuff goods and deliver them from there.

The permission will be effective till August 31, subject to the scanning of all containers before transferring them from the port. The physical examination of the containers carrying commercial items has to be carried out as well.

Currently, 38 types of import-laden containers are allowed to directly

transfer to the ICDs for unloading and making deliveries.

The release of imported items from the port usually slows during Eid holidays, but this year it has reached a record low level: not a single container could be delivered to the consignees in the 48 hours from the morning of Eid day, which fell on Wednesday, to Friday morning.

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ANISUR RAHMAN

"Where is the assistance?" Some 100 to 150 men take their chances waiting at Shonir Akhra in the capital yesterday in hopes of builders turning up offering jobs as construction labourers. The government has asked people to stay indoors but for many daily-wage earners this is not an option. Taking the Eid holiday into consideration, these people have been out of work for some 8 to 10 days.

Stocks continue to reach new heights

STAR BUSINESS REPORT

Stocks closed higher yesterday following a five-day break for Eid-ul-Azha as trading resumed amid the government-imposed coronavirus containment measures.

This marked the sixth consecutive day of a market rally at the Dhaka Stock Exchange (DSE) that has driven the prime index of the country's premier bourse to new heights.

The DSEX, the benchmark index of the DSE, rose 19 points, or 0.29 per cent, to 6,424.21 yesterday even though the prices of most listed stocks had declined.

Last week, the DSEX crossed an all-time high since its inception in 2013.

At the DSE, 116 stocks advanced, 237 declined and 22 remained unchanged.

"The market was powered by institutional investors who bought fundamental stocks and so, the index rose," said a top stock broker, adding that general investors were in selling mood.

British American Tobacco Bangladesh contributed the most followed by Beacon Pharmaceuticals, Beximco Pharmaceuticals, Heidelberg Cement, GPH Ispat, LafargeHolcim Bangladesh and MI Cement, according to data from Amarstock.com.

"Since people are still in a holiday mood, their participation was not up to normal levels but it is rising now," the broker said.

Turnover, another important indicator of the market, rose 7 per cent to Tk 1,354 crore while it was around Tk 2,000 crore one week before Eid.

The DS-30, another DSE index which represents blue-chip stocks, rose 14 points, or 0.60 per cent, to reach a record-high of 2,336 yesterday.

Fu-Wang Ceramics topped the gainers' list, rising 9.95 per cent, followed by GPH Ispat, Meghna Cement, Aramit Cement, and Baraka Patenga Power.

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Berger to launch fire retardant products

STAR BUSINESS REPORT

Berger Paints has signed an agreement with Promat Fire and Insulation Private Ltd, a leading fire protective coating supplier, in order to launch fire retardant painting solutions in Bangladesh.

As such, the listed multinational paint maker can now import, produce and distribute fire intumescent products in the country.

"People of Bangladesh have a lack of awareness and protective tools to prevent fires at the workplace," said Mohsin Habib Chowdhury, senior general manager for sales and marketing at Berger Paints Bangladesh.

"Since Promat is the global leader in supplying fire retardant products, we made a deal with them to bring their internationally certified goods," he added.

Chowdhury went on to say that these products are an industrial requirement.

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