



Nilufer Zafarullah

Md Shamsuzzaman

## Midland Bank reelects chairman, vice chairman

STAR BUSINESS DESK

Midland Bank Limited has recently witnessed the reelection of its chairman and vice-chairman at the 115th meeting of its Board of Directors.

Chairman Nilufer Zafarullah, also a lawmaker, served as vice chairman since inception until September 2018, says a press release.

She is also a member of the boards of trustees of Independent University Bangladesh and Chittagong Independent University and a director of Hong Kong Shanghai Manjala Textiles Limited.

Vice-chairman Md Shamsuzzaman is the owner of Micro Fiber Group, managing director of Liberty Knitwear Limited, Orient Chem-tex Limited, Micro Fiber Limited, Midland Knitwear Limited, A-One Polar Limited, Tangon Garments Limited and Turbingen Chemicals (BD) Limited and a nominee director of Liberty Knitwear Limited.

## StanChart offers dedicated helpdesk for expatriates in Bangladesh

STAR BUSINESS REPORT

Standard Chartered Bangladesh has launched a dedicated helpdesk for expatriates residing in Bangladesh.

The helpdesk will initially cater to Indians, one of the largest expatriate communities here, says a press release.

It will offer banking solutions, value-added services such as financial insights from a dedicated team of specialists and relationship managers, and special rates on foreign exchange conversions for remittances through Standard Chartered Bank, India.

It will also give access to online banking platforms, the SC mobile app and global link facility on digital banking platforms to connect to multiple accounts.

"The NRI Desk is only the start of the journey, and we will be delivering more such catered experiences for the expatriate communities in Bangladesh," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

## BB relaxes banks' investment rules

FROM PAGE B1

For this reason, banks with HTF securities are facing losses, which is why the central bank has allowed banks to convert the instruments into HTM ones.

This means banks would get respite to sell the securities for the time being by way of avoiding taking part in the secondary market.

As per the new rules of the central bank, non-primary dealer banks will be able to hold 120 per cent of their respective statutory liquidity ratio instead of abiding by the existing limit of 110 per cent.

Primary dealer (PD) banks will be allowed to increase the limit to 135 per cent of the statutory liquidity ratio in contrast to 125 per cent.

Banks, however, will have to return to the existing ceiling by 2024 in phases.

The SLR is a percentage of deposits kept in the form of government securities.

Banks now have to keep 13 per cent of their total clients' deposits with the central bank. The PD banks have to take part in the auction of the securities on a regular basis in order to provide required funds to the government.

## Heyday for Barishal's potters as Covid recedes

FROM PAGE B4

Rupak Pal, a potter from Kalsakathi, said people of other professions received financial support amidst the Covid-19 but potters did not.

As such, Mritshilpi Sammelon-o-Sammanana, an organisation of clay artisans, had urged the government to provide low interest loans to save the industry.

Bappi Majumder, member secretary of the organisation, said at least 4,000 to 5,000 people in Barishal engaged in pottery

do not receive any government support.

"They suffered during the coronavirus period and now, they want to turn things around with financial support," he added.

Jalish Mahmood, deputy general manager of the Bangladesh Small and Cottage Industries Corporation (BSCIC) office in Barishal, said if potters want help as small and medium enterprises, the BSCIC could make recommendations for them.

He advised them to work as entrepreneurs availing a trade licence.

## German industrial output slumps

AFP, Frankfurt

German industrial production fell more sharply than expected in August, official data showed Thursday, as supply chain frictions weigh heavily on Europe's biggest economy.

Federal statistics agency Destatis said industrial output slumped by four percent month-on-month, after experiencing a rebound in July, according to figures adjusted for seasonal swings.

Analyst surveyed by Factset had predicted an August decline of just 0.1 per cent. "Producers continue to report about the production being constrained by a shortage of supply of intermediate products," Destatis said in a statement.

Hardest hit was Germany's flagship car industry with a 17.5 per cent drop in output.

Like other automakers around the world, German manufacturers are grappling with a shortage in computer chips, spurred by a pandemic-induced surge in demand for electronic devices.

But the chips are also crucial components in conventional and electric vehicles, and giants like Volkswagen, BMW and Daimler have been among those forced to curtail production as they await fresh supplies.

Combined with global shortages of other key materials including timber, plastic and steel, analysts say clouds are gathering over Germany's export-driven economy.

"Supply chain frictions have

become a bigger threat to German industry than the pandemic," said ING bank economist Carsten Brzeski.

"Disappointing industrial production in August suggests that the traditional growth engine of

the German economy will again be a drag on growth in the third quarter," he added.

Economic think-tank IfW recently downgraded its forecast for German economic growth for 2021 from 3.9 per cent to 2.6 per cent.



Staff wear protective masks at the Volkswagen assembly line in Wolfsburg, Germany.

REUTERS/FILE

## Beximco to build 230MW solar plants

FROM PAGE B1

The plants shall be commissioned by mid-2022, said the company.

"As the project cost is now projected, so we gave the price sensitive information to the stock investors," said Islam.

The contract to install solar modules has been awarded to LONGi Solar Technology Company Limited, one of the world's leading manufacturers of high-efficiency mono-crystalline solar cells and modules.

The contract for engineering, procurement, construction, commissioning as well as operation and maintenance of

the main plant has been provided to a consortium comprising Rays Power Infra Private Limited and Zetwerk Manufacturing Businesses Private Limited.

The switchyard and substation contract, including control solutions, has been awarded to ABB, one of the leading global technology companies.

The transmission line engineering, procurement and construction contract has been awarded to Confidence Infrastructure Limited.

The line will be 35.35 kilometres in length, running from Sundarganj, Gaibandha to a Rangpur grid substation.

## 39 approvals needed to release goods from Ctg port

FROM PAGE B1

A former president of the MCCI, Manzur termed the need to obtain 39 approvals from government agencies as challenging.

Businesses also faced higher costs during importing and exporting goods through the Hazrat Shahjalal International Airport (HSIA), he said.

"We want better business and investment climate. We have to think in a new way and do things differently. Now is the time," said Rupali Chowdhury, president of the Foreign Investors Chamber of Commerce and Industry.

Speaking at the launch, Ito Naoki, Japanese envoy to Bangladesh, described the country's economic development as wonderful that grew even during the Covid-19 pandemic.

He said a lot of Japanese companies were expanding their operations in Bangladesh.

Japanese investors are following the China Plus One Policy, focusing their investment in other countries rather than only in China.

"Bangladesh is a preferred destination for Japanese investors," Naoki said.

In the next five years, the state of infrastructure will change for the better. Tokyo is implementing some mega infrastructure projects such as the third terminal at the HSIA and the metro rail in Dhaka and the power stations at Matarbari of Cox's Bazar.

The Japanese Economic Zone will go into operation next year, in a significant development, as it would help attract investors from the East Asian country.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, applauded the index, saying it would be helpful for businesses.

He suggested quick dispute resolutions and regulatory reforms to support businesses.

Abul Kasem Khan, chairperson of the Business Initiative Leading Development, wanted to know what measures had been taken to make the One-Stop Service Centre functional.

About 1,000 firms in all eight divisional cities were reached to prepare the index, according to Masrur Reaz, chairman of the PEB. "We hope the economic development of Bangladesh will continue," said Nihad Kabir, president of the MCCI, while moderating the discussion.

"The picture is different when we move from Dhaka to Chattogram," she said, indicating the business concentration in the capital.

Salman F Rahman, the adviser to the prime minister on private industry and investment, praised the index.

The World Bank has lost its Ease of Doing Business Index, whereas Bangladesh launched its own index, which is remarkable, he said.

Last month, the World Bank Group decided not to publish the Doing Business report anymore amid the allegations of data irregularities.

The adviser said the government would also facilitate the launch of the logistic index in the country to show Bangladesh's growing infrastructural strengths.

He urged trade bodies to carry out research instead of lobbying the government to realise trade benefits only.

Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, suggested easing procedures to create jobs for the unemployed youth.

Mohammad Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority, said the government agency would hold a summit next month to draw foreign and local investment.

## Insurance a necessity for car owners

FROM PAGE B1

Besides, there are also insurance facilities required to support people with injuries or in case of death," Barua added.

Insurance companies mainly provide two types of coverage: comprehensive, or first-party policy, and third-party insurance.

Earlier, third party insurance, which aimed at providing support to people such as passengers or pedestrians other than vehicle owners and drivers, was mandatory but the insurance regulator scrapped the provision last year. Now, both types of insurance are optional.

Under a first-party policy, an insurance company pays the owner if a car is involved in an accident. Compensation is also available for car theft, fire or natural damage caused by outside forces such as flooding, cyclone.

Insurers said premiums vary depending on the types of cars, value, seat capacity and their models.

If someone wants to insure an older car, the amount of premium usually becomes

higher. If someone buys a new car with a bank loan, they have to take comprehensive insurance.

"Through the insurance, the insurer bear the risks and liabilities of the vehicle owner," said Ramzanul Quadar Billah, vice president of Reliance Insurance, which offers three types of vehicle insurance.

Shamima Nasrin, senior assistant vice president of Prime Insurance Company, said the premium of car insurance is the amount one pays to the insurance company on a regular basis, often every month or every six months, in exchange for coverage.

"Once you've paid your premium, your insurer will pay for coverage detailed in the insurance policy, like liability and collision coverage," she added.

Those insured can claim their stake for damage from the insurer if the amount of damage exceeds Tk 5,000. In this case, the insurer will send a surveyor to assess the damage on the spot. After assessing it, the claim will be settled within one to two weeks if valid.

## Kalurghat factories at high risk of natural disasters: study

FROM PAGE B1

It now hosts 134 industries, including those of chemical, electric item, food, garments, metal, packaging, paper, leather, tobacco and plastic goods.

"We have studied 36 companies of KEPZ (Karnaphuli Export Processing Zone) and 134 companies of Kalurghat industrial area," said Mollah Md Awlad Hossain, director of the IWM, in a keynote presentation.

"We have tried to identify the effects of various natural hazards in 25 years and 50 years. This will make it easier for any investor to take his plan considering his risk," he said.

"At the same time, you will get an easy solution on what kind of investment will be beneficial in those areas," he added. He said such studies would be conducted on all industrial areas of the country in phases.

Dr Raquib Ahsan of the civil engineering department of the Bangladesh University of Engineering and Technology, said the study was not meant to discourage investors in those areas.

Rather it was to give them an idea of what their investment will be like, he said.

He said the Karnaphuli river could easily inundate the industrial area, with a 58 per cent chance of waterlogging in the factories in the 50 years.

However, in case of cyclones, Kalurghat is almost 100 per cent and the KEPZ 97 per cent at risk, he said.

Additional Secretary to Planning Division Khandker Ahsan Hossain chaired the programme.

Chittagong Chamber of Commerce and Industry's President Mahbubul Alam and Joint Secretary to Planning Division Dr Nurun Nahar also exchanged their views.

## StanChart forecasts 7.2pc GDP growth

FROM PAGE B1

He described the central bank's foreign currency position as very healthy, thanks to a sharp increase in reserves in the last 18 months.

"That actually puts the central bank in a very strong position to manage the foreign currency market."

Standard Chartered has a neutral outlook on the taka and forecasts that the dollar will trade at Tk 86 towards the end of December.

"We continue to think that the taka will outperform the most currencies in the emerging markets in Asia," Devesh said.

Eric Robertsen, global head of research and chief strategist of Standard Chartered, said the economic recovery in Asia and globally would continue although it had been extremely uneven.

The recovery in global trade is the key highlight of the global revival.

"More specially, the recovery in the exports in the emerging markets has been one of the best we have ever seen."

From the lows of early 2020, the recovery in exports took only two quarters to return to the pre-pandemic level. A similar recovery after the global financial crisis in 2007-08 took two years.

The speed of the recovery has been much faster. This is because emerging markets are trading more with each other than ever before, accounting for nearly 50 per cent of their total trade."

"It is no longer just about the US or China," Robertsen said.

According to the researcher, a pickup in demand has created a short-term inflationary surge, exacerbated by the rise in prices of crude oil, copper and natural gas.

"In 2022, I think the supply chain will reopen as the economies continue to come out of

lockdowns, and that should remove some of the inflationary pressures."

"The US dollar should ultimately weaken in the medium to long term, and that should remain a source of support to the emerging markets."

On the monetary side, import-dependent Bangladesh is feeling a bit of pressure because of the rising commodity prices.

"Non-food inflation is likely to be higher," Anand said.

Standard Chartered forecasts 5.6 per cent inflation in the current fiscal year, higher than the central bank's target of 5.3 per cent.

With rising commodity prices, rebound in demand and constraints facing the supply side and liquidity remains high, inflation will shoot up, the economist said.

He said the private sector investment was coming back in keeping with the accelerating coronavirus vaccination programme, driving up the credit demand.

The liquidity build-up would see correction as the central bank is selling US dollars. Once the private sector credit growth picks up, the excess liquidity correction will take place automatically.

In Bangladesh, private sector credit growth is still 8.5 per cent.

Anand said the credit growth would pick up once the vaccination rate crosses a particular threshold and businesses feel more confident.

Globally, the ratio of non-performing loans would go up once the moratorium support is rolled back, he said.

Muhit Rahman, head of financial markets of StanChart Bangladesh, said clients had been talking about investments and expansion projects for the last two months.

"In the last one and a half years, clients did

not talk to us about investments."

The credit growth would pick up in March-April, he said, adding that garment, textile, and steel manufacturers were talking about expansion projects.

With the reserves hovering around \$48 billion, the country is in a very comfortable position, Rahman said. "Overall, we are very optimistic about the economy."

Bitopi Das Chowdhury, head of corporate affairs, brand and marketing of StanChart Bangladesh, said: "The credit growth is picking up in the personal banking as well."

Earlier, Planning Minister MA Mannan attended a virtual event where around 300 of the bank's clients joined in via video conferencing.

The minister said: "The people of Bangladesh, the government and the business community have once again demonstrated tremendous resilience to ensure that while our shared development journey might have slowed, it has not been halted."

"We remain as committed as ever in fostering a business-friendly climate so that we can continue our journey of inclusive progress and prosperity," he said, according to a press release of the bank. Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said the government had navigated the internal and external challenges of the pandemic remarkably well.

"The resilience of Bangladesh economy gives us cause for optimism. As the vaccination drive continues, the economy is set to accelerate."

There are significant opportunities for productivity gains through technology adoption and technology inclusiveness through mobile-based solutions and the information technology-enabled service sector, he said.