

HSBC
introduces
Bangladesh's
first SLP-based
financing

STAR BUSINESS DESK

The Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh has introduced the country's first Social Loan Principles (SLP) based financing for Thengamara Mohila Sabuj Sangha (TMSS), one of the largest microfinance institutions in the country.

The bank recently signed an agreement with the micro-finance institution. Hosne Ara Begum, founder and executive director of TMSS, and Shaikh Md Salim, executive director of Bangladesh Bank Bogura office, exchanged signed documents of the deal, while Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh, was present, a press release said.

The SLP aims to support economic activities targeting to mitigate social issues and challenges of society

The SLP, published by Loan Market Association and Asia Pacific Loan Market Association, aims to facilitate and support economic activities targeting to mitigate social issues and challenges of the society.

"Bangladesh Bank highly emphasises agriculture, cottage, micro, small and medium enterprises, women entrepreneur, and green financing which are vital for having a sustainable economy and achieving Sustainable Development Goals. HSBC's Social Loan aligns with these priorities," Salim said.

"We are delighted to partner with HSBC to contribute to the social development of Bangladesh, and optimistic that this partnership will have a remarkable milestone for the country's development," Hosne Ara said.

"This is part of our global sustainability commitment," Mahbub ur Rahman said.



Electric three-wheelers have gained popularity in recent years mainly because of the convenience in enabling short trips. The photo was taken from Gollamari intersection of Khulna city yesterday.

PHOTO: HABIBUR RAHMAN

Establish charging station networks to ramp up EV adoption

Speakers say at Idcol workshop

STAR BUSINESS REPORT

Speakers yesterday emphasised establishing infrastructure for charging station networks so that electric vehicles (EV) may replace their fossil fuel-powered counterparts by 2030.

"The government has already fixed the tariff at Tk 7.6 per unit of electricity used by EV charging stations. So, we now need to build the required network," said Md Habibur Rahman, secretary of the Power Division.

Rahman made these comments while addressing the event, styled "Scaling up Electric Vehicle Uptake in Bangladesh", organised by the Infrastructure Development Company Limited (Idcol) at Hotel InterContinental Dhaka.

"Besides, the tariff on electricity used by charging stations has been set at a lower rate than that imposed on residential areas as it would help reduce carbon emissions," he added.

Rahman went on to say that entrepreneurs would be allowed to set up EV charging stations a minimum of one kilometre apart from each other in order to ensure fast and easy access to charging facilities.

"We have ensured sufficient power production in Bangladesh, so there is no possibility of facing power scarcity due to the establishment of charging stations."

But although energy leakage in the country's power distribution system has been brought down to 5.8 per cent, there is still room to improve it further, the power division secretary added.

Md Nazrul Islam, secretary of the Road Transport and Highways Division, said the government is working on drafting an EV charging guideline that will outline the process of setting up charging stations through private initiatives.

"A comprehensive EV charging station guideline is also needed to simplify the establishment of fast charging stations. And we have already started working on developing a supporting policy in this regard," he added.

Fatima Yasmin, secretary of the Economic Relations Division (ERD) and chairman of Idcol, suggested keeping in mind the decarbonisation of the transport sector to build up a sustainable model for a cleaner, faster, and safer transport sector in Bangladesh.

She went on to say that 60 lakh charging stations would be required across

the country considering how rapidly the transport sector will switch to EVs.

Abdul Baki, additional secretary of the ERD and chief executive officer of Idcol, said automakers are increasingly shifting away from fossil fuel vehicles as there are plans to reduce global carbon emissions by 50 per cent by 2050.

Bangladesh is also moving ahead to reduce carbon emissions, so Idcol is implementing a UK-funded project on "Road to a green Bangladesh".

"We are working on a successful business model and financing ecosystem for business with an aim to increase the EV uptake in Bangladesh," Baki added.

Hafizur Rahman Khan, chairman of Ruuner Group, said the government should not reduce the import duty on EVs. Rather, it should cooperate with automakers in the country to manufacture such vehicles locally. Besides, many entrepreneurs are ready to invest in locally manufacturing EVs, he added.

Mir Masud Kabir, managing director of Bangladesh Auto Industries Limited, said the adoption of EVs would help reduce passenger vehicle fuel costs by up to 90 per cent while it would be 50 per cent for two and three-wheelers.

Walton starts Green CSM for eco-friendly premium customer service

STAR BUSINESS DESK

Walton's customer service management (CSM) is implementing the company's Green CSM's activities to achieve its "Vision Go Global" as a part of its 'Better Bangladesh Tomorrow' initiative.

Golam Murshed, managing director of Walton Hi-Tech Industries PLC, inaugurated the Green CSM initiative at a programme titled "Green CSM: Road to Sustainability" at the Walton corporate office in Dhaka on Tuesday, a press release said.

Organised by Walton's customer service management, about 300 customer service officials from 77 service points took part in the event, where 51 individuals and service points were awarded for their outstanding contribution to customer service.

"Our target is to give customers premium service fast, best, advanced and smooth," Murshed said.

"We will move towards the goal of becoming one of the world's best brands through various initiatives like green CSM by integrating our dreams with the dream of Walton entrepreneurs.

Rakib Uddin, executive director, presented a detailed roadmap on Green CSM activities of the company.

Abul Bashar Hawlader, additional managing director of Walton, Nazrul Islam Sarker, Amdadul Hoque Sarker and Eva Rezwana, deputy managing directors, SM Zahid Hasan and Md Sakhawat Hossain, senior executive directors, were present.

China's inflation slows, leaving room for policy easing

REUTERS, Beijing

China's factory-gate inflation eased to its slowest pace in six months and consumer price growth also softened in January amid weakening property sector demand, new coronavirus curbs and government efforts to rein in surging materials costs.

The producer price index (PPI) increased 9.1 per cent from a year ago, the National Bureau of Statistics (NBS) said in a statement on Wednesday, slower than the 9.5 per cent growth tipped by a Reuters poll and a 10.3 per cent gain in December. It was the weakest pace since July.

While producer prices in the world's second-largest economy remain elevated thanks to critical supply issues and home and abroad, China's relatively benign consumer inflation contrasts with cost pressures seen in most other economies.

Analysts believe cooling inflation could provide room for the People's Bank of China (PBOC) to ease policy to support the slowing economy, even as major central banks elsewhere tighten policy.

Land acquisition for Patuakhali EPZ

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The government's registry department used to adjust the value of land in Patuakhali in January each year but unlike other districts, land prices in the region have remained the same for five years now.

As such, the price of agricultural land in the area is fixed at Tk 15,279 per decimal while residential land costs Tk 26,422 per decimal.

So, landowners whose plots are to be purchased for the EPZ will be financially disadvantaged as prices are still fixed at what they were back in 2017.

One of the petitioners, Shafiqul Islam Mridha, said a notice has already been issued by the deputy commissioner's office to

acquire land for the project, whether it is residential or agricultural.

"But it is not possible for us to buy new land elsewhere to re-establish our homes or businesses, and the current market price is much higher than the value being offered for our plots," he said.

"So, we would be financially benefitted if the government kindly considers our demand," Mridha added.

The Prime Minister's Office gave administrative approval for the land acquisition in favour of the Bangladesh Export Processing Zones Authority (Bepza) to establish the Patuakhali EPZ in August last year.

Against this backdrop, the acquisition of 410.78

acres of land for an EPZ in Pocha Koralia mouza and 2.25 acres of land for an investors club in Kuakata was initiated, according to a letter signed by Abdullah Al Maimun, director general (administration) of the PMO.

Obaidur Rahman, the additional deputy commissioner of Patuakhali, said notices in this regard have already been issued to relevant landowners and that any objections on the issue would be disposed of within the next 15 days before the finalised details are sent to the land ministry for approval.

He went on to say that the landowners would be paid their dues within two months after completing formal procedures.

Adding that remittance flow may also slow down. The country also faces excessive pressure from foreign exchanges due to higher imports. But the stimulus packages declared by the government have already started to offset the crises efficiently.

The veteran banker also touched upon some important issues facing the economy.

"There will be further domestic inflationary pressure this year," he said.

However, further policy support, if extended, will be helpful for banks.

Bank Asia wins SAFA first prize, award

STAR BUSINESS DESK

Bank Asia won the first prize for "Best Presented Annual Report 2020 (Private Sector Banks)" in South Asia alongside a "SAARC Anniversary Award for Corporate Governance Disclosures 2020" awarded by the South Asian Federation of Accountants (SAFA).

This year Bank Asia has been awarded as the "Overall Winner" among countries in the South Asian Association for Regional Cooperation (SAARC), says a press release.

The Institute of Chartered Accountant of Sri Lanka organised the prize-giving ceremony through a virtual platform recently.

Md Sazzad Hossain, DMD & COO, and Mohammad Ibrahim Khalil, CFO of Bank Asia, received the award from Md Shahadat Hossain, president of The Institute of Chartered Accountants of Bangladesh (ICAB).

Md Kamruzzaman, deputy CFO of the bank, was also present in the ceremony.



Md Sazzad Hossain, deputy managing director and chief operating officer, and Mohammad Ibrahim Khalil, chief financial officer of Bank Asia Limited, receive the SAARC Anniversary Award for Corporate Governance Disclosures 2020 from Md Shahadat Hossain, president of The Institute of Chartered Accountants of Bangladesh (ICAB), recently.

PHOTO: BANK ASIA LTD

Pubali Bank steps up

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Financial Inclusion Strategy to bring the unbanked people under the formal financial sector.

Most of the banks are not interested in opening branches in rural areas as it is costly and takes a long time to break even.

Although the far-off areas of Bangladesh have a robust presence of mobile financial services and agent banking, all financial services cannot be provided through the two windows, Chowdhury said.

"So, the policy of setting up a sub-branch is undoubtedly a good initiative taken by the central bank. This is cost-effective and client-friendly."

Pubali Bank has decided to set up more than 215 sub-branches within two years.

The veteran banker also touched upon some important issues facing the economy.

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Zafar Alam, managing director of Social Islami Bank, virtually inaugurated three sub-branches at Nakhal Para in Kawran Bazar, Razarhat at Roazerhat in Chattogram's Rangunia and Autapara in Pabna recently. Abu Reza Md Yeahia and Md Tajul Islam, additional managing directors, and Abu Naser Chowdhury, Md Sirajul Hoque and Md Shamsul Hoque, deputy managing directors, were present.

PHOTO: SOCIAL ISLAMI BANK