

## Brac Bank introduces toll-free call centre number

STAR BUSINESS DESK

Brac Bank has become the first bank in Bangladesh to introduce a toll-free number at call centres.

Customers can now dial toll-free 08 0000 16221 from any mobile number round the clock without any charge.

“This toll-free number is the latest addition to our call centre capability that will bring more convenience to the customers,” said Nazmur Rahim, head of alternate banking channels.

The call centre provides faster services and delivers a delightful banking experience to the bank’s 13 lakh customers and handles as high as 2.50 lakh calls in a month.

## Hatil took part in Mumbai Index Fair-2022

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Hatil, a premium furniture brand of the country, took part in the Mumbai Index Fair 2022 that ended at JIO convention centre of Bandra Kurla Complex in Mumbai, India on Sunday.

The fair, which has been held annually since 1989, is considered the top business-to-business trade show.

“We have been participating in various international furniture fairs in Bangladesh, UAE, India, and Thailand to open up new markets for made-in-Bangladesh products,” said Selim H Rahman, chairman of HATIL.

“We have sufficient production capacity to meet local and global market demand while maintaining the highest standards of quality.”

The fair brought suppliers and buyers together in a design environment and is one of the largest focused commercial platforms in India for interiors, architecture, materials, and design.



**Subrata works his one acre of land in Khulna’s Batiaghata upazila where he planted 300 sweet orange trees (citrus sinensis), commonly known as malta in Bangladesh, alongside 2,000 piper chaba, a creeper resembling betel whose vines are called chui jhal in Bangla and are used to make meat dishes spicier. Planted around two and a half years ago, each sweet orange tree will provide 20 kilogrammes to 25 kilogrammes of fruit from October, earning him Tk 8 lakh to Tk 9 lakh in total before they fruit again around this time next year. Meanwhile clippings from the piper chaba can be availed year round, earning him Tk 80,000 to Tk 90,000 per month. The photo was taken around the middle of this month.**

PHOTO: HABIBUR RAHMAN

# BB moves to shore up NBFIs’ corporate governance

### Sets rules for appointment of directors

STAR BUSINESS REPORT

Bangladesh Bank yesterday issued a set of rules for the appointment of directors at non-banking financial institutions (NBFIs) in order to strengthen corporate governance.

From now on, the boards of the NBFIs will have to take prior approval from Bangladesh Bank to appoint their new directors, according to a central bank notice.

The NBFIs will not be permitted to remove their directors from their respective boards without consent from the BB.

A BB official said there was no strict rule and regulation on the appointment and removal of directors from the NBFI board, which was why the central bank issued the notice.

The new measures will help

strengthen corporate governance in the NBFIs, which is considered a fragile sector after facing a wide range of loan scandals, he said.

Prospective directors must have at least 10 years’ experiences in either doing business or being involved in management.

They must hold the minimum number of shares with the respective NBFI as per rules set by the Bangladesh Securities and Exchange Commission.

Prospective directors or related parties can not be defaulter.

Those sentenced by either civil or criminal courts will not be able to hold directorship at NBFIs.

They will even not be allowed to hold such posts if courts have negative comments on their activities.

If the BB or other government agencies find any forgery, financial crime and other illegal activities

perpetrated by the aspirants, they will not be considered to hold the directorship at any NBFI.

The persons will not be allowed to be a member of the boards of the NBFIs if they have been penalised by any regulator of the financial sector.

Individuals who worked at the NBFIs in different capacities, such as external auditor, advisor or expert and are employed either in exchange of salary or without any wage, will not be allowed to hold directorship in the NBFIs.

The tenure of directors at an NBFI is a maximum of three years and one can hold the post for three terms in a row. They, however, can join the board again after an interval of three years.

The BB official said a good number of the NBFIs were unable to repay depositors as they were now facing a fund shortage.

Some directors were involved in siphoning off money from the NBFIs, creating a crisis of confidence among general people on the non-banks.

Amidst such a situation, the High Court recently appointed new directors at the NBFIs in order to fortify corporate governance.

Prashanta Kumar Halder alias PK Halder and his associates from four non-banking financial institutions (NBFIs) embezzled more than Tk 4,000 crore.

The four NBFIs are International Leasing and Financial Services, FAS Finance, Peoples’ Leasing and Reliance Finance.

Halder, who has recently been arrested in India, swindled the money with the help of some directors of the NBFIs.

## Germany says gas stocks rising quicker than expected

AFP, Berlin

Germany is replenishing its gas stocks more quickly than expected despite drastic Russian supply cuts and should meet an October target early, the government said Sunday.

Europe’s largest economy is heavily dependent on Russian gas and has raced to bolster its reserves before winter after deliveries from

Russia plummeted following the outbreak of war in Ukraine.

Last week, Germany’s energy regulator the Federal Network Agency said the country was unlikely to meet its goals.

But the government said energy-saving measures in recent weeks and massive purchases of gas from other suppliers saw “significant progress” made.

“Despite the difficult circumstances... the reserves are filling up more quickly than expected,” Economy and Climate Minister Robert Habeck said in a statement.

A target to achieve 85 per cent of gas storage capacity by October “should be reached by the start of September”, with current levels at 82 per cent, his ministry added.

## Credit growth keeps rising

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from foreign sources due to the fluctuation of the exchange rate of the taka against the US dollar, Rahman said.

The taka has lost value by at least 20 per cent against the American greenback in the past one year.

“Global lenders have recently hiked the interest rate on loans after their central banks raised the key interest rate to tame inflation,” Rahman said.

“So, entrepreneurs are submitting more applications to local banks for loans than in the past to run their operations smoothly.”

For example, the Federal Reserve’s key interest rate since been raised to a range of 2.25 per cent to 2.5 per cent in an effort to tackle inflation since March from. It was almost zero earlier.

More rate hikes are likely in the world’s largest economy.

In July, the European Central Bank raised interest rates for the first time in more than 11 years as it tries to control soaring eurozone inflation. It plans further hikes this year.

Amid higher credit demand in Bangladesh, the liquidity pressure in the banking sector is on the increase.

Banks are already facing a tightening of liquidity after the central bank began mopping up the

taka from the banking system by injecting dollars since the beginning of the last fiscal year.

This prompted many banks to raise the interest rate on the fixed deposits to 6.5-7 per cent, in contrast to 2.5-3 per cent a year ago, to mobilise funds.

Salehuddin Ahmed, a former governor of the central bank, sees the uptrend of credit growth as a good sign for the economy.

“Injection of more credit means economic activities are getting stronger. Ordinary people can get some respite from their ongoing economic hardship if required funds are available with them,” he said.

“The rising credit growth will give a boost to the supply side, encouraging producers to augment production. It will also ease inflationary pains for commoners.”

Anis A Khan, a former managing director of Mutual Trust Bank, however, says there is no other alternative but to unveil more austerity measures given the gravity of the ongoing economic turbulence globally. He suggested the central bank squeeze the money supply so as to contain inflation.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, says the composition of credits is important.

If loans are used in making investments and production, it would not stoke much inflation, but if they are aimed at consumption, then it would accelerate inflation, he said.

He, however, added: “A 14 per cent growth in credit may not be consistent in the current economic situation.”

Another economist said: “We want lower credit growth and money supply. The interest rate on loans should go up from the 9 per cent to curb imports.”

The total outstanding loans in the private sector stood at Tk 13,52,566 crore in July.

The higher credit growth came in a month when import bills rose 63 per cent year-on-year to \$7.66 billion. The settlement of letters of credit, however, decreased 10.3 per cent from June’s \$8.54 billion.

Shah Md Ahsan Habib, a professor of the Bangladesh Institute of Bank Management, does not see the increase in credit growth as a significant jump.

“So, the rise is not a matter of concern,” he said.

“But if credit growth is kept at a lower level with a view to reining in inflation, investments will not take place. Then it would not be good for the country.”

## India’s status as fastest growing economy to be short-lived

REUTERS, Bengaluru

India likely recorded strong double-digit economic growth in the last quarter but economists polled by Reuters expected the pace to more than halve this quarter and slow further toward the end of the year as interest rates rise.

India is grappling with high unemployment and inflation, which has been running above the top of the Reserve Bank of India’s tolerance band all year.

Growth this quarter is predicted to slow sharply to an annual 6.2 per cent from a median forecast of 15.2 per cent in Q2, supported mainly by

statistical comparisons with a year ago rather than new momentum, before decelerating further to 4.5 per cent in October-December.

The median expectation for 2022 growth was 7.2 per cent, according to an August 22-26 Reuters poll, but economists said that the solid growth rate masks how rapidly the economy was expected to slow in coming months.

“Even as India remains the fastest-growing economy, consumption will not be strong enough to drive growth as unemployment remains high and real wages are at a record low level,” said Kunal Kundu, India economist at Societe Generale.

## BM Container Depot

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Confirming it, General Manager Nazmul Akhtar Khan told The Daily Star that one condition was over submitting some documents and they had started operations accordingly.

On receiving the permission, the depot till yesterday transported 903 TEUs (twenty-foot equivalent unit) of empty containers to the Chattogram port while 470 TEUs of empty containers entered the depot from the Chattogram port and some factories.

According to the custom house, the depot authority will have to submit clearance certificates from the Department of Environment (DoE) and the Department of Explosives, and Bangladesh Fire Service and Civil Defence within 15 days of receiving the permission.

It was also directed to sign a memorandum of understanding with a nearby fire station within the same period.

Customs officials said if the depot authority fails to submit these documents, the temporary permission would be withdrawn.

Meanwhile, the depot authority yesterday applied to the Custom House, Chattogram commissioner for handling export and import containers.

In the application, Managing Director Mostafizur Rahman stated that the depot was compliant with the International Ship and Port Facility Security Code alongside security systems stated by International Maritime Organization (IMO).

Custom House, Chattogram Deputy Commissioner Md Noor Uddin Milon confirmed of them providing the conditional temporary permission. He said before giving approval to full-fledged operations, they would examine whether the depot implemented all recommendations of different probe committees formed in connection

## Bangladesh’s position

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of the country could stay informed.

“Doing a good job will only go so far in terms of building a positive image and so, transparency and accountability should be maintained in all stages,” he added.

Sayema Haque Bidisha, a professor of economics at the University of Dhaka, stressed on the need for monitoring and evaluation in implementation to find challenges and address weakness in the next national plan.

Mustafa Murshed, deputy secretary to the finance division, said the capacity of ministries to implement the budget has improved along with the dissemination of budget documents.

However, he said, it takes time to upload the documents as they have to crosscheck the information.

The event was moderated by RAPID Chairman MA Razzaque.

with the deadly explosion.

Since early July, the depot had catered services to individual exporters and importers involving some select export and import-laden containers availing customs permission.

Mohammad Ibrahim, operation manager, said they offered services for the shipment of some export containers loaded before the accident as the respective exporters had availed permission from the Chattogram customs authority.

And some import-laden cargoes were also delivered as per the individual permissions, he said.

A total of 30 TEUs of such export containers were sent to the port for shipment this month alone while some 22 TEUs of import cargoes got delivered, said the operation manager. The depot currently has 253 TEUs of export containers, 2 TEUs of import containers and 801 TEUs of empty containers.

## Golden Harvest won’t invest in e-commerce

STAR BUSINESS REPORT

Golden Harvest Agro has decided not to proceed with its plan to open an e-commerce business, with the company’s board citing yesterday that it was for the unstable economic outlook of the country.

The listed company disclosed the information in a statement on the Dhaka Stock Exchange (DSE) website. The development came about just a year past the plan of launching e-commerce business.

In March 2021, the company decided to invest in the fast-rising e-commerce sector in Bangladesh to sell food, grocery items and tickets and deliver medicine.

Shares of Golden Harvest were unchanged at Tk 18.30 at the DSE yesterday.

## bKash adds new features for utility bills payment

STAR BUSINESS DESK

A My Usage, or Pay Bill History, icon has been added to the bKash app to let customers see a detailed overview of the paid bills in different categories.

Customers need to tap on the “Pay Bill” icon of the bKash app and select an organisation or biller to pay bills, a press release said.

For this, customers need to enter an account or meter number, contact number, bill period and bKash PIN to complete the payment.

## Honda, LG to invest \$4.4b in US battery plant

AFP, Tokyo

Japanese auto giant Honda and South Korean battery maker LG Energy Solution announced a joint venture Monday to invest \$4.4 billion in a new US electric car battery plant.

The move comes after California last week ruled that all new cars sold in America’s most populous state must be zero-emission from 2035, with other US states expected to follow suit.

In a joint statement, the firms said they expected construction of the plant to begin next year, aiming for “mass production of advanced lithium-ion battery cells by the end of 2025”.

The tie-up was decided “based on the shared belief that expanding local electric vehicle production and ensuring the timely supply of batteries would put them in the best position to target the rapidly-growing North American EV market”, the companies added.

Last month, Japanese electronics giant and Tesla supplier Panasonic announced its own \$4 billion investment to build a new battery factory in the United States for electric vehicles.