

Brac Bank agent banking reaches out to tea workers in Habiganj

STAR BUSINESS DESK

The Brac Bank agent banking team recently organised an Uthan Boithak, a knowledge-sharing engagement, for tea workers in Bahubal of Habiganj.

Several handloom workers belonging to the ethnic community also joined the session. These people living in the remote area of the tea estates are usually left out of the formal banking system, a press release said.

Brac Bank has reached out to the tea workers of Habiganj hills as a part of its continued pursuit to bring the unbanked people under the banking umbrella.

Field officers of the Bahubal agent banking outlet disseminated information about opening bank accounts, the importance of savings and services available at agent banking outlets.

Md Al Amin, an agent of the Bahubal agent banking outlet, Abul Kalam Azad, officer of agent banking in Habiganj, and Tanvir Hossain, agent field officer, were present.

CAPITAL MARKET STABILISATION FUND

INVESTMENT CONDITIONS

Maximum **40pc** of cash balance can be used for buying and selling listed securities

At least **50pc** of cash balance shall be used for providing loan to market intermediaries

Maximum **10pc** of cash balance may be used for investment in other securities

MUTUAL FUND SECTOR

Total number of mutual funds **119**
Of them, **84** are open-ended and **35** are closed-end

Total asset under management is **Tk 16,000cr**

Total number of asset management companies **33**

In 2021, their net asset value rose **25pc** on average



GOLDEN JUBILEE MUTUAL FUND

- Total size of the mutual fund is **Tk 100cr**
- Face value **Tk 10** per unit
- CMSF provided **Tk 50cr** to the mutual fund
- ICB Asset Management Company contributed **Tk 20cr**
- Investment Corporation of Bangladesh provided **Tk 5cr**
- Remaining **Tk 25cr** collected from general investors

Mutual funds to be an alternative to fixed deposit

BSEC chair says at trading debut of Golden Jubilee Mutual Fund

STAR BUSINESS REPORT

Mutual funds will be a suitable alternative to fixed deposits as it is a good investment product that offers better returns, according to Prof Shibli Rubayat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC).

Mutual funds pool money from investors to channel it into securities such as stocks, bonds and other assets. Depending on the profits earned, investors are then paid their share as dividends.

Besides, several reforms have taken place in the mutual fund sector, which is now doing better after suffering from low dividend payouts and an erosion of assets, he said.

Islam's comments came on Wednesday at an event, styled "Ring the Bell of Debut Trading ICB AMCL CMSF Golden Jubilee Mutual Fund and Investors Claim Settlement Program", at the Hotel InterContinental in Dhaka.

Mutual funds once failed to provide dividends to investors as their funds were usually parked in bad places. However, the situation has since changed, the BSEC chairman said.

For instance, the Investment Corporation of Bangladesh (ICB), which operates several mutual funds, saw its assets erode by around Tk 4,000 crore for making poor investments.

The investment bank is now making a profit though as by the end of the current year, its profits would be more than Tk 150 crore, he said after asking for this information from ICB Managing Director Abul Hossain.

"Now, mutual funds are giving handsome dividends so fund managers should even go to villages to attract people. If you [investors] invest in mutual funds, it will give you a good return," Islam added.

At the event, the BSEC Chairman rang the bell to inaugurate the debut trading of ICB AMCL CMSF Golden Jubilee Mutual Fund.

The Golden Jubilee Mutual Fund received regulatory approval from the BSEC on June 28 and the total size of the fund is Tk 100 crore with a face value of Tk 10 per unit.

The Capital Market Stabilization Fund (CMSF) provided Tk 50 crore while ICB Asset Management Company, the fund manager, contributed Tk 20 crore and Investment

Corporation of Bangladesh (ICB) provided Tk 5 crore as pre-IPO placement.

The remaining Tk 25 crore was collected from general investors through an initial public offering (IPO).

The CMSF launched the closed-end mutual fund to mark the golden jubilee of independence of Bangladesh and "Mujib Borsho".

BRAC Bank Ltd is the custodian and Bangladesh General Insurance Company Ltd is the trustee of the mutual fund.

Shaikh Shamsuddin Ahmed and Mizanur Rahman, commissioners of the BSEC, Md Eunusur Rahman, chairman of the Dhaka Stock Exchange, Md Nojibur Rahman, chairman of the CMSF, and Md Monowar Hossain, chief operating officer, also spoke at the event.

In the second half of the event, BSEC officials handed over dividend cheques that were recently claimed with one Shaheed Jannani Janara Imam getting his share after 28 years. Imam's relatives took the cheque on his behalf.

Regarding the new mutual fund, BSEC Commissioner Ahmed said the fund manager will have to be cautious in its expenditure and investment.

Midland Bank gets nod for Tk 70cr IPO

STAR BUSINESS REPORT

Midland Bank gets nod to raise Tk 70 crore through issuing seven crore ordinary shares in an initial public offering (IPO).

The approval came yesterday from a meeting of the Bangladesh Securities and Exchange Commission (BSEC) held at the commission building headed by BSEC Chairman Prof Shibli Rubayat-Ul-Islam.

With the IPO proceeds, the bank would invest in government securities and listed companies' stocks, the commission said in a press release.

The lender's weighted average earnings per share was Tk 1.07 and net asset value was Tk 13 at the end of 2021.

However, the stockmarket regulator has added a condition, which is the bank has to ensure 2 per cent shareholding by each director and 30 per cent shareholding jointly.

LankaBangla Investments is the issue manager of the IPO.

Initiative to bring farmers closer to int'l markets

STAR BUSINESS DESK

The United Nations International Fund for Agricultural Development (IFAD) and Grameen Euglena, a joint venture between Japan's Euglena Co Ltd and Bangladesh's Grameen Krishi Foundation, are collaborating on an initiative that supports smallholder farmers to cultivate mung beans.

This high-value crop will help them to increase their income and tap into international markets.

The collaboration was launched yesterday in Dhaka with a letter of intent signed by Arnoud Hameleers, country director of Bangladesh at IFAD, and Yukoh Satake, co-chief executive officer of Grameen Euglena, said a press release.

The partnership aims to strengthen public-private partnerships with IFAD's implementing partners in Bangladesh.

It will enable farmers supported by IFAD-financed projects to access international markets, while Grameen Euglena will also have access to good quality mung beans produced in large volumes by Bangladeshi farmers. As part of this initiative, coastal farmers will be trained in technology used in Japan and given technical assistance to access international mung bean value chains.

"IFAD values collaborative initiatives. This renewed partnership will spur engagement with the private sector in Bangladesh. If interests are aligned and the proposed activities improve rural farmers' conditions, we will endeavour to engage in more collaborations like this," said Hameleers.

During the six-year partnership from 2022 to 2028, IFAD and Euglena will work together to ensure availability of good quality agricultural inputs at an affordable price, and train farmers to efficiently use inputs for safe, nutritious and diversified production.

Fed set to raise interest rates

AFP, United States

US central bankers opened their two-day policy meeting on Tuesday with another steep interest rate hike seen as a near certainty amid stubbornly high inflation.

American families have felt the squeeze of soaring prices, which have risen at the fastest pace since the early 1980s, and Federal Reserve Chair Jerome Powell has made it clear officials will continue to act aggressively to cool the economy.

Many economists are expecting a third straight three-quarter point rate hike when the meeting concludes Wednesday, an unprecedented action in recent decades.

Fed officials have been united in the message that the US cannot risk letting inflation take hold due to the damaging impact on workers and businesses.

"The inflation rate will continue to call the tune for the path of monetary policy, despite rising risks of a recession in 2023," said Kathy Bostjancic of Oxford Economics.

"We see higher-for-longer inflation, more aggressive Fed monetary policy tightening, and negative spillover effects from a weakening global backdrop combining to push the US economy into a mild recession in H1 2023."

Locally made jerseys

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has been rising worldwide because of changes in fashion and styles," he said.

For instance, many office-going people wear casual dresses like t-shirts, sportswear and lightweight sweaters instead of formal woven dresses made from both cotton and manmade fibres.

As a result, the demand and production of the casual dresses from Bangladesh is also increasing worldwide, especially in Europe and the US, he added.

Mohammad Hatem, managing director of MB Knit Fashions, another Narayanganj-based knitwear manufacturer, said he had sent 12 lakh shirts of eight countries like Brazil, Argentina and some other European ones for the world cup football in Russia in 2018.

In the previous world cup in 2014, Hatem sent 8 lakh jerseys.

Hatem said he has not sent any

jerseys for the world cup in Qatar so far.

Regarding profits from the sale of jerseys, Hatem said buyers do not pay anything extra for these being a special kind of clothing.

Recently, the local garment suppliers have been increasing the production of garment items from manmade fibres to gain better prices from international clothing retailers and brands.

They are expecting jerseys and sportswear to play a vital role in achieving Bangladesh's target of earning \$100 billion from garment exports by 2030.

Last fiscal year, garment shipment clocked a 35.47 per cent year-on-year growth, netting \$42.61 billion. Of the sum, \$23.21 billion came from knitwear shipments, which was up 36.88 per cent.

The knitwear items mostly comprised jerseys and sportswear, according to data from the Export Promotion Bureau.

TVS Motor launches new motorcycle

STAR BUSINESS DESK

TVS Motor Company launched a 160cc motorcycle in Bangladesh yesterday bearing an anti-lock braking system.

J Ekram Hussain, managing director of TVS Auto Bangladesh, unveiled the TVS Apache 160 2V at a programme in Dhaka yesterday, said a press release.

Rahul Nayak, vice-president of International Business of TVS Motor Company, Biplob Kumar Roy, chief executive officer, Sahdev Kumar Das, head of finance, Md Ashrafal Hasan, deputy general manager, and Atikur Rahman, national sales manager, were present.



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PHOTO: TVS MOTOR COMPANY

Foreign trade in Indian rupee

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Even if all the bilateral trade cannot be conducted in the taka and rupee, at least \$2 billion worth of trade, which is equivalent to what Bangladesh exports, can be in local currencies, said Abdul Matlub Ahmad, president of the India-Bangladesh Chamber of Commerce and Industry.

Experts of both countries can sit together to find a solution so that the whole of the bilateral trade can be transacted in the taka and rupee, he said.

There will also be a positive impact on prices of basic commodities as the purchase of the US dollar costs extra money in the present volatile global currency markets, Ahmad said.

Similarly, it is possible to trade in the Chinese yuan and Russian ruble to retain US dollar reserves in the time of crisis, Ahmad said.

Mohammad Ali Khokon, president of Bangladesh Textile Mills Association, also welcomed the proposal of trading

in the taka and rupee.

The pressure from falling US dollar reserves will reduce to a great extent as Bangladesh imports a lot of industrial raw materials and goods from India, he said.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said had there been no special terms and conditions and trade had taken place normally, the taka and rupee trade would be beneficial for both countries.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said if the Indian businesspeople accept the taka and their Bangladeshi peers accept the rupees, then there would be no problem.

Echoing this, Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, suggested holding consultations with experts so that the transaction can be conducted in the local currencies as soon as

possible.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said enabling a vibrant trade in the rupee and taka would require years but the BB can start the process from now.

The economist, however, warned that Indian businesses might not initially show interest in doing foreign trade using the taka instead of the dollar.

Govt okays 90,000-tonne

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Local commodity giant TK Group, City Group and Meghna Group of Industries will supply the edible oil to the state corporation.

The TCB last week got approval from the cabinet committee to buy 15,000 tonnes of lentils and 60 lakh litres of soybean oil for the same purpose.

China should do more to help avoid debt crisis: US official

AFP, Washington

The "enormous scale" of Chinese lending to developing nations makes it critical Beijing do more to participate in restructurings to avoid a new international debt crisis, a senior US Treasury official said Tuesday.

In the wake of the pandemic, many countries are facing debt distress, and China has delayed or failed to participate in multinational efforts to try to work out those borrowing loads, said Brent Neiman, counselor to the Treasury Secretary.

"China's enormous scale as a lender means its participation is essential," Neiman said in a speech to the Peterson Institute for

International Economics.

He noted that estimates of the total of outstanding Chinese official loans, while uncertain due to a lack of transparency, range widely to as much as \$1 trillion.

"China became the world's largest official creditor in 2017, surpassing the claims of the World Bank, IMF, and all Paris Club official creditors combined," he said.

The high borrowing, outflow of funds from developing nations and strong US dollar amid rising interest rates have increased the pain for debtor countries, and "these ingredients all but assure debt distress in a number of countries," he said.

"Failure to act on these debts could imply years of ongoing

difficulties with the servicing of debts and with underinvestment and lower growth in low and middle income countries."

In a now familiar message, repeated by government officials as well as the International Monetary Fund and World Bank, Neiman called on China to end the "enormous delays" in participating in the international efforts to provide relief.

The G20 has agreed on a "common framework" for debt restructuring for the poorest countries, but to date only three have qualified, and only one, Zambia, has received assurances from China of debt restructuring, allowing it to secure an IMF aid package.