

AB Bank to issue bond of Tk 500cr

STAR BUSINESS REPORT

AB Bank Limited has decided to issue a Tk 500 crore bond.

The board of the private commercial lender has approved the tier-II equivalent subordinated bonds named “AB Bank Subordinated Bonds-V”, according to a filing on the Dhaka Stock Exchange.

Subordinated debt is an unsecured loan that ranks below other, more senior loans or securities with respect to claims on assets or earnings.

AB Bank shares closed unchanged at Tk 9.70 on the DSE yesterday.

ASA to disburse Tk 55,000cr loans in FY24

STAR BUSINESS REPORT

ASA, one of the nation's leading microfinance institutions, decided to disburse loans amounting to Tk 55,000 crore among its 73 lakh clients during the current fiscal year of 2023-24.

The decision was taken in its 44th annual general meeting, which was held on September 16.

Furthermore, ASA will spend Tk 93 crore to implement corporate social responsibility initiatives in the same period.

In 2022-23, the NGO disbursed micro credit amounting to Tk 42,000 crore.

Monjurul Ahsan Bulbul, Chairman of ASA governing board, chaired the meeting while ASA President Md. Ariful Haque Choudhury presented a report on the outgoing fiscal year. Established in 1978, ASA introduced its innovative microfinance programme in 1991.

Currently, ASA serves around 73 lakh clients in Bangladesh, providing microfinance and some non-financial services to contain poverty and vulnerability of the underprivileged segment.

Moreover, it is also extending technical assistance to 13 countries in Asia and Africa in expanding the web of financial inclusion, which is considered the most effective weapon to combat poverty.



Green coconuts being taken for sale at Tk 70 apiece to wholesale traders, who then charge Tk 100 for each, which is substantially high owing to rising demand from patients seeking to treat dengue. Coconut water has long been considered beneficial for dengue patients for being a natural source of water and providing essential minerals and electrolytes. Drinking coconut water is the best way to replenish fluids in the body. The photo was taken at Sikdermallik village of Pirojpur sadar upazila recently.

PHOTO: KM HABIBUR RAHMAN

Matarbari channel handed over to CPA

DWAIPAYAN BARUA, *Ctg*

The dream of realising a deep seaport at Matarbari in Cox's Bazar is now a step closer as Chittagong Port Authority (CPA) has taken charge of an artificial navigation channel created for vessel movement required for a coal-fired power plant.

The channel has already become vibrant long before the construction of the port.

A total of 120 big and small vessels carrying construction materials and coal for the 1200MW Matarbari power plant have so far berthed at the two jetties of the power plant since December 2020.

Coal Power Generation Company Bangladesh Limited (CPGCL) Managing Director Md Abul Kalam Azad officially handed over responsibility of the Matarbari deep sea port channel to CPA Rear Admiral Mohammad Sohail.

The handover programme was held at the Chattogram port on Wednesday in presence of Principal Secretary to the Prime Minister Md Tofazzel Hossain Miah.

CPA Secretary Md Omar Faruk told The Daily Star that the CPA has been entrusted with channel's use, preservation and control.

Port dues, berth hire charges, piloting, tug charges, berthing and unberthing and other charges of seagoing vessels coming

through this channel will be collected by the CPA, he said.

An initiative was earlier taken by the CPGCL to excavate a 14.3-kilometre (km) long artificial channel having a 250-metre width and 16-metre depth under the Matarbari power project aiming to bring in coal for the plant.

The channel has already become vibrant long before the construction of the port

The government later geared up its plan to set up a new commercial port at the same site taking advantage of this deep draft channel.

Japan International Cooperation Agency (Jica), which funded the coal power plant, also suggested building a deep seaport at the area when their feasibility report found out that the sea at Matarbari had a deeper depth than expected.

The width of the channel was later increased by 100 metres and depth by two metres aiming at constructing the Matarbari deep seaport.

A 1,753-metre-long breakwater on the north side of the approach channel, another 713-meter-long breakwater on the south

side and a 1802.85-metre revetment on the north side were constructed with stone blocks by the CPGCL.

They were to ensure that the channel and harbour stayed safe and secure from the force of the waves.

The Tk 17,777.16 crore Matarbari port development project got approval from the Executive Committee of the National Economic Council (Ecne) on March 10, 2020.

The CPA and the Roads and Highways Department will implement the Matarbari port development project by December 2026.

CPA Chairman Sohail informed that tender bids for constructing the first terminal of the deep seaport were coming in.

He hoped that the construction work of the first terminal to start by this year.

Under the coal power plant project, two jetties have been built for unloading coal and fuel.

On December 29, 2020, the first vessel carrying construction materials for the power plant berthed at the first jetty using the channel.

And on April 26 this year, a vessel of 229-metre length and 12.5-metre draft, the biggest as of recent times, berthed at a coal jetty of the Matarbari power plant.

Foodpanda owner may sell operations in some markets

MAHMUDUL HASAN

Delivery Hero, which owns Foodpanda and Pandamart in Bangladesh, said it was in negotiations regarding a potential sale of its Foodpanda business in selected markets in Southeast Asia.

“Delivery Hero confirms negotiations regarding a potential sale of its Foodpanda business in selected Southeast Asia markets covering Singapore, Malaysia, Philippines, Thailand, Cambodia, Myanmar and Laos,” the company said in a disclosure.

“The negotiations are in their preliminary stages and it is uncertain and subject to various open points whether this will lead to a definitive agreement. The purchase consideration for the entire transaction is still under negotiation,” the statement added.

Approval of the supervisory board, which is still outstanding, will need to be obtained for execution of any definitive agreement, it said.

The Wirtschaftswoche business magazine first reported the news, saying Singapore's Grab could pay little over one billion euros for the unit, according to The Straits Times.

Industry insiders said Foodpanda was faring poorly in South Asia as they had incurred huge losses in Bangladesh and Pakistan.

Foodpanda, Pandamart and its cloud kitchens in Bangladesh have incurred net losses of 24.22 million euros in 2022, a nine percent increase against net loss in 2021, according to the financial statement of the Berlin-based Delivery Hero, the parent company of Foodpanda and its affiliates.

This brings Foodpanda's net loss in Bangladesh over the past three years (2020-2022) to about 64.5 million euros.

Foodpanda Bangladesh did not immediately reply to The Daily Star's queries in this regard.

AKM Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services, said he was not surprised that Delivery Hero was looking to exit markets in Southeast Asia.

Oil price falls

REUTERS, *London*

Oil prices fell on Thursday, after posting the largest decline in a month in the previous session, as US interest rate hike expectations offset the impact of drawdowns in US crude stockpiles.

Brent futures for November delivery were down 97 cents, or 1.04 percent, to \$92.56 a barrel by 0809 GMT. US West Texas Intermediate crude (WTI) fell 97 cents, or 1.08 percent, to \$88.69, the lowest since September 14. Both benchmarks had fallen more than \$1 in trade earlier on Thursday.

“The Fed kept rates unchanged at yesterday's FOMC meeting, as widely expected. However, it was still seen as a hawkish pause, which put some pressure on risk assets” such as oil, said ING analysts in a client note.

Stop injecting fresh money

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“I suggested they stop printing new money because it fuels inflation,” Prof Mahmud told The Daily Star last night.

“They informed me that the central bank has stopped printing fresh money.”

Instead of taking new loans, the government repaid Tk 3,283 crore to the banking sector in the first two months of the current fiscal year, central bank data showed.

Mahmud, a former adviser to the caretaker government, said the central bank has formulated the monetary policy to contain the rising inflation, facilitate the exchange rate and foreign exchange currency management, and reduce non-performing loans and credit expansion.

“I appreciated the policy stance and commented on some areas. But the policy will have to be transparent and credible. None can be trusted without a credible policy.”

According to the former economics

professor, cash circulation may increase and there may be additional cash in the hands of people since this is an election year.

“The central bank should mop up the cash if needed.”

Prof Mahmud emphasised accelerating the defaulted loan recovery because credit expansion is not possible without realising the bad loans.

He said since the exchange rate is closer to the real exchange rate, it would not be wise to leave the exchange rate completely in the hands of the market.

“This is because if the rate goes up further, it will be difficult to bring it down.”

“I suggested the central bank not to look at the kerb market because it is small given the size of the economy. You will have to be strict on the real exchange rate.”

“There are more scopes for the taka to depreciate but it will have to be done step by step.”

Prof Mahmud told the central

bankers that loans given to the businesspeople from the foreign exchange reserves were a big mistake.

“The same mistake can't be repeated in the future.”

Prof Mahmud described the external balance as not good, saying it reached near to the average position due to import curbs.

Earlier, after the meeting, BB Spokesperson Md Mezbaul Haque told reporters: “We informed Prof Mahmud about the current economic situation, including inflation, the exchange rate volatility and the growing non-performing loans, and the central bank's policy stance on addressing the challenges.”

“Prof Mahmud also discussed inflation management and the governor assured him that if needed, measures will be taken in the upcoming monetary policy.”

Apart from economists, the central bank will take opinions from chambers, trade bodies and the Economic Reporters Forum.

Increase

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Mahbub Ali, state minister for ministry of civil aviation & tourism.

The government is exploring suitable avenues under the country's first tourism master plan. Primarily, it explored 10 themes: eco-tourism, riverine, cruise, adventure, beach, archaeological and historical, pilgrimage and spiritual, MICE (meeting, incentives, conference, and exhibitions), and ethno and rural tourism.

It also includes three other themes: health and wellness, medical and SAVE (Scientific, academic, volunteer and education) tourism.

The responsibility of the government and the ministries is to create opportunities. The private sector must then seize those opportunities to achieve fulfilment and growth, said Md. Mokammel Hossain, secretary of ministry of civil aviation & tourism.

“There will be challenges along the way, but we are ready to support and offer possible solutions to overcome them and move forward,” he added.

Lokman Hossain Miah, executive chairman of Bangladesh Investment Development Authority, said environment-friendly tourism investment was their focus.

“Our responsibility is to bring and create the right investment opportunities for the investors as well as support stakeholders to take those investment opportunities,” he added.

This year, approximately 150 tourism companies from various countries, including Bangladesh, India, China, Nepal, Thailand, Sri Lanka, Vietnam and Dubai participated in the fair.

Visitors can find various packages, discounts and offers tailored for both business-to-business (B2B) enterprises and tourists.

The fair is open for visitors from 10:00am until 7:00pm every day.

The entry fee is Tk 30. However, students can enjoy free admission through online registration. Attendees will also have the opportunity to participate in raffle draws with a chance to win attractive prizes.

Uncertainty lingers

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The work of the 17-kilometre ropeway from the factory to India has not begun as the permission to build its Indian portion is yet to be confirmed.

“We will start to build the ropeway on our part next month,” said Abdur Rahman Badsha, project director, last week.

An official of the factory said that even after finalising the necessary permissions to construct the ropeway and import limestone, it would take at least two years to establish the ropeway.

Similarly, the installation of a dedicated gas line from Jalalabad Gas Transmission and Distribution System Ltd in Sylhet to the factory to meet energy demand has not been initiated yet.

The contract is yet to be inked and this will also take at least two years.

“As a result, the factory will not be operational within at least two years,” the official said.

The IMED report said the progress on securing the raw material from India is only 10 percent.

However, Badsha is optimistic about resuming the process of getting raw materials from India.

“We have signed a contract with India. Under the deal, India will supply the raw material until 2033. But they are not supplying it.”

Limestone supply will also rely on the outcome of a legal battle being

fought by limestone exporters of Meghalaya and the Indian state.

The High Court of Meghalaya imposed a ban on mining activities in the state following an application from the state's environment department.

Last year, the Supreme Court of India granted permission to exporters to export limestone to Bangladesh. The apex court also granted permission to the petitioner to file a special leave petition in connection with the case.

A hearing on the admissibility of the petition is pending before the apex court.

According to an audit report, Chhatak Cement incurred a loss of Tk 50.81 crore in the fiscal year of 2021-22. The company also suffered losses in the previous several years.

The IMED report recommended finding alternative sources for raw materials.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, says the project is in the middle of its implementation period and the government has already spent a huge amount of money.

“But the project shouldn't be uncertain due to a lack of supply of raw materials,” he said, calling on the authorities to explore alternative sources for raw materials.

Revenue collection

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The NBR has set a target to collect Tk 4,30,000 crore in fiscal year 2023-24, with Tk 50,321 crore solely in the first two months. The NBR collected Tk 3,31,000 crore last fiscal year.

Economist Ahsan H Mansur termed the revenue growth in the past two months “natural”, but pointed out that it would do little help achieve the fiscal year's target.

Under the current circumstances, overall revenue collection may exceed

Tk 3,70,000 crore, unless anything unusual occurs, he said.

“The government is still following the traditional regulations as we are yet to see any major reforms in this sector,” he said.

Mansur, also the executive director of the Policy Research Institute of Bangladesh, said the persisting higher inflation has also contributed to VAT collection growth.

“It's a positive effect driven by the negative side,” he said.