

Prime Bank offers mortgage-free loan for Abedin Equipment's dealers

STAR BUSINESS DESK

Prime Bank has recently signed an agreement with Abedin Equipment, a company engaged in the import and marketing of power tools and equipment, automotive spares and accessories in Bangladesh, enabling it to ease working capital requirements for its agro-machinery dealers.

Nazeem A Choudhury, deputy managing director of the bank, and Quazi Ehsanul Abedin, managing director of Abedin Equipment, inked the deal at the bank's head office in Dhaka, said a press release.

Under this agreement, the company's

dealers will be able to enjoy mortgage-free overdraft loans up to Tk 1 crore.

This will help dealers expedite the pace of their business by ensuring hassle-free credit facility for product lifting.

Both the organisations firmly believe this will create a new horizon for the agro-machinery dealers, the press release added.

Prime Bank has always dedicated itself to catering to the demand for the micro, small and medium enterprises and proactively devise time-bound products, ensuring easy access to credit.

Senior officials from both organisations were also present.



PHOTO: PRIME BANK

Nazeem A Choudhury, deputy managing director of Prime Bank, and Quazi Ehsanul Abedin, managing director of Abedin Equipment, exchange signed documents of an agreement on mortgage-free loans at the bank's head office in Dhaka recently.



Trish Douglas, president of International Inner Wheel, and Bina Vyas, former president of Inner Wheel, cut a ribbon to inaugurate a neonatal ICU at the Dhaka Ahsania Mission Cancer and General Hospital in Uttara recently.

PHOTO: INNER WHEEL

Inner Wheel celebrates 100 years of operations

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Inner Wheel, an international voluntary organisation for women, recently celebrated its 100 years of operations.

Trish Douglas, president of the International Inner Wheel (IIW), inaugurated the celebration programme organised by its clubs under District 345 in Bangladesh.

As part of the programme, the IIW president visited the Dhaka Ahsania Mission Cancer and General Hospital in Uttara, where she donated medical equipment and accessories for setting up a "Neonatal ICU" at the hospital, said a press release.

She also visited the gynaecology and obstetrics ward of the hospital, where she planted saplings.

Gouglas also visited the National Memorial in Savar and placed floral wreaths to pay homage to the martyrs of Bangladesh's Liberation War. She was accompanied by Bina Vyas, former president of the IIW, and Sissel H Michelsen, chairman of the constitution, also joined all the programmes.

Among others, Dilruba Ahmed, former board director of the IIW, Sharmin Raman, district chairman, and Tahera Wahid, former district chairman, were also present.

Islami Bank organises business development conference

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Islami Bank Bangladesh organised "Business Development Conference 2024" of the bank at Pan Pacific Sonargaon in the capital on Sunday.

Tanveer Ahmad, vice-chairman of the bank, addressed the concluding session of the conference as chief guest, the bank said in a press release.

Mohammed Monirul Moula, managing director and CEO of the bank, presided over the programme, where Mohammad Solaiman, chairman of audit committee, Mohammad Saleh Jahur, chairman of risk management committee, and Md Joynal Abedin, Syed Abu Asad, Mohammad Quamrul Hasan, Md Fashiul Alam and Borhan Uddin Ahmed, directors, attended the event as special guests.



Tanveer Ahmad, vice-chairman of Islami Bank Bangladesh, attends the concluding session of "Business Development Conference 2024" of the bank at Pan Pacific Sonargaon in the capital on Sunday.

PHOTO: ISLAMI BANK BANGLADESH



Syed Waseque Md Ali, managing director of First Security Islami Bank, poses for photographs with participants of "Annual Business Conference-2024" of the bank at Palace Luxury Resort in Habiganj yesterday.

PHOTO: FIRST SECURITY ISLAMI BANK

First Security Islami Bank holds annual business conference

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First Security Islami Bank organised "Annual Business Conference 2024" of the bank at the Palace Luxury Resort in Habiganj.

The conference reviewed the

operational performances of individual branches for the year 2023 and delivered directions to attain targets set for 2024.

Syed Waseque Md Ali, managing director of the bank, presided over the conference, where Abdul Aziz and Muhammad Mustafa Khair,

additional managing directors, were present, the bank said in a press release.

Md Masudur Rahman Shah, deputy managing director of the bank, along with all zonal heads, divisional heads and branch managers of the bank were also present.

Credit flows to private sector might slow on higher govt borrowing

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Thus, the private sector credit growth is forecast at 10 percent for June this year, down from 11 percent projected earlier, the BB said in its monetary policy statement for the second half of the financial year.

In its annual report for 2022-23 released last week, the central bank said the government's borrowing from the banking system, particularly from the BB, has increased tremendously in the past two years, which ultimately contributed to the inflation hike.

Higher government borrowing from the banking system could increase the SMART (Six-month Moving Average Rate of Treasury Bills), thus raising the lending rate in the coming months, it said. "Resultantly, credit flows to the private sector might be slowed down in FY24."

Rising inflation, declining foreign exchange reserves, and the volatile exchange rate have negatively affected private investment as well as credit to the private sector. This was reflected

in lower demand both from domestic and international markets, as indicated by negative import growth and a slow growth of exports.

The BB is providing a sufficient flow of funds for agriculture, cottage, micro, small, and medium enterprises (CMSMEs) and import substituting industries from its pre-finance and refinance schemes.

However, for a smooth flow of funds to the private sector, banks need to strengthen the recovery

drive of non-performing loans (NPLs), the report said.

"Otherwise, the increase in NPLs can limit credit to the private sector which may negatively affect the growth."

Higher inflationary and exchange rate pressures and NPLs and decreasing trend of reserves may pose severe challenges to the growth and inflation outlook, the BB said.

"An increase in investment in both the private and public sectors is crucial for the growth

outlook."

Bangladesh experienced higher inflationary pressure in FY23, both from food and non-food items due mainly to fuel price adjustments, global commodity price hikes, exchange rate pass-through effects, and market failures.

Since global commodity prices are projected to decline in 2024, inflationary pressures on the economy are expected to decelerate in the coming months, though the easing of exchange rate

pressure still remains a big challenge.

The report said due to import-limiting measures, the trade deficit narrowed in the last fiscal year, but the deficit in the financial account became larger.

"The continued import-limiting measures will further improve the trade balance, but the reduction of imports may affect overall economic activities in the economy negatively. To prevent the deficit in the financial account, all possible ways will have to be explored."

Garment exports

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Italy, Spain and the Netherlands where it rose by 16.21 percent, 8.46 percent, 10.52 percent, 12.69 percent and 13.27 percent respectively.

"With the growth in these countries, our export to overall EU region was able to maintain a status-quo in growth in 2023," the BGMEA said.

Meanwhile, UK, the third largest export destination for Bangladesh, managed to retain a year-on-year growth of 12.46 percent in 2023 by shipping \$5.34 billion RMG last year compared to \$4.75 billion the previous year.

Additionally, Bangladesh's export to non-traditional markets demonstrated encouraging growth, increasing remarkably by 20.54 percent to \$8.87 billion in 2023.

Currently, the clothing export share to the non-traditional markets stands at 18.72 percent, from 16.52 percent in 2018.

Notably, Japan is Bangladesh's top destination among major non-traditional markets, fetching \$1.68 billion in the mentioned period, posting a 26.53 percent year-on-year growth.

Exports to other non-traditional markets, including Australia, Russia, New Zealand, Saudi Arabia, South Korea and China, also posted positive growths.

In 2023, Bangladesh's RMG export to the world increased 3.67 percent year-on-year to \$47.39 billion.

The six years' data compiled by the BGMEA shows that Bangladesh shipped \$32.93 billion garments in 2018, posting a 12.71 percent growth.

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It said the ongoing price and exchange rate pressures and tight monetary policy may create some downside risks to achieving desired economic growth in the shorter to medium term.

In fact, the post-pandemic recovery of the economy could be challenged by several factors, like global commodity price hikes, higher inflation, exchange rate volatility, and the falling trend in reserves.

"Moreover, unusual change in climate and

prolonged political unrest may also create some impediments to our ongoing growth trajectory."

BB's model-based exercises also find some moderation of inflation in the upcoming months both in terms of the 12-month average and the point-to-point basis. The 12-month average inflation, however, will take a longer time to fully moderate to an expected level, it said.

For FY24, the target for inflation has been revised upwards to 7.5 percent from 6 percent.

Gold prices drop in global market

REUTERS

Gold prices declined on Monday, as hopes of a March interest rate cut by the Federal Reserve faded, while traders awaited key US economic data and major central bank policy meetings this week.

Spot gold was down 0.4 percent at \$2,021.39 per ounce, as of 0955 GMT. US gold futures fell 0.3 percent to \$2,023.20.

"At the moment, we have this asymmetry between what central banks are saying and what the market was pricing," said Carlo Alberto De Casa, market analyst at Kinesis Money.

"The market is now repricing, and is changing this view and realizing that there was too much optimism about the central bank's (rate cut) decisions."

The US dollar index fell around 0.1 percent, while yields on benchmark US 10-year Treasury notes slipped from a more than a month high.

Bullion fell about 1 percent last week - its biggest weekly decline in six - after Fed officials said it needs more inflation data in hand before any rate cut judgment could be made and that the baseline for cuts to start was in the third quarter.

Traders now price in about a 43.5 percent chance that the Fed will cut interest rates in March, according to the CME Fed Watch Tool.

STOCKS	
DSEX ▲	CASPI ▼
0.22%	0.51%
6,254.30	18,235.49

COMMODITIES	
Gold ▼	Oil ▼
\$2,021.78	\$72.80
(per ounce)	(per barrel)

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.33%	▲ 1.62%	▼ 0.01%	▼ 2.68%	
71,423.65	36,546.95	3,149.12	2,756.34	

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 22, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 75	5.38 ↑	3.01 ↑
Coarse rice (kg)	Tk 50-Tk 52	4.08 ↑	4.08 ↑
Loose flour (kg)	Tk 45-Tk 50	0	-19.49 ↓
Lentil (kg)	Tk 105-Tk 110	0	4.88 ↑
Soybean (litre)	Tk 155-Tk 160	0	-6.80 ↓
Potato (kg)	Tk 40-Tk 45	-26.09 ↓	54.55 ↑
Onion (kg)	Tk 75-Tk 80	-29.55 ↓	138.46 ↑
Egg (4 pcs)	Tk 42-Tk 45	-1.14 ↓	2.35 ↑

SOURCE: TCB