



M Sadiqul Islam

Sadiqul Islam appointed as chairman of Social Islami Bank

STAR BUSINESS REPORT

Prof M Sadiqul Islam was recently elected chairman of Social Islami Bank during its 516th board meeting. Islam, who has over 38 years of experience at the University of Dhaka, is currently serving as a professor in the department of finance. He is also an independent director of Walton Hi-Tech Industries and Robi Axiata.

A Qualified Cost and Management Accountant and a fellow of the Institute of Cost and Management Accountants of Bangladesh, Islam is also the director of the Center for Corporate Governance and Finance Studies at the University of Dhaka and a life member of the Finance Alumni Association of the same university.

Islam obtained his master's degree in finance from the University of Dhaka and completed an MBA from the University of Saskatchewan in Canada before getting a PhD in finance from the Athens University of Economics and Business in Greece.

He received the Canadian Commonwealth Scholarship for his MBA and the SSF Scholarship for his PhD.

NCC Bank donates Tk 2cr for flood victims

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NCC Bank donated a financial relief package worth Tk 2 crore for flood-affected people as a part of its corporate social responsibility.

The sum was given to the Chief Adviser's Relief and Welfare Fund.

Md Monirul Alam, deputy managing director of the bank, and Md Anwar Hossain, head of public relations division, handed over a cheque to Faruk E Azam, adviser of the ministry of disaster management and relief, at the Bangladesh Secretariat in Dhaka, according to a press release.

Besides, the equivalent of one day's salary for officers and staff of the bank will also be provided to help flood-affected people.

NRB Bank opens branch in Kalampur of Dhamrai



Md Omar Faruk Khan, managing director and CEO (current charge) of NRB Bank, cuts a ribbon to inaugurate a branch of the bank in Kalampur of Dhamrai, Dhaka recently.

PHOTO: NRB BANK

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NRB Bank recently opened a branch in Kalampur of Dhamrai.

Md Omar Faruk Khan, managing director and CEO (current charge) of the

bank, inaugurated the branch as the chief guest, according to a press release.

Mirza Md Year Hossain, a noted social worker, was present as special guest.

AKM Abdullah Al Noman, general manager of Dhamrai Palli Biddut

Samiti, Md Abdul Halim, president of Kalampur Bazar Business Samiti, Oli Ahad Chowdhury, head of retail banking of the bank, and Md Rezaul Karim, company secretary, were among others present.

AB Bank gives Tk 5cr for flood victims

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AB Bank announced a financial relief package worth Tk 5 crore for flood-affected people in different districts of the country.

A fund has been created with an initial deposit of Tk 2 crore to supply relief materials to flood-affected people and for subsequent rehabilitation, according to a press release.

The founder chairman of the bank, members of the board of directors and other shareholders contributed to this fund.

All employees of the bank also participated by donating one day's salary to the fund.

AB Bank Foundation decided to provide an additional Tk 3 crore for the distribution of commodities and for post-flood rehabilitation of flood victims.

This fund will be handed over to the Chief Adviser's Relief and Welfare Fund.

Toyota global output keeps falling

REUTERS, Tokyo

Toyota Motor said on Thursday its global production slipped for a sixth straight month in July, hurt by declines in markets such as China and Thailand, though the fall was smaller than the previous month's double-digit drop.

Output for July slid 1 percent compared to the same month a year earlier to 804,610 vehicles, with production in China down 6 percent and that in Thailand falling 13 percent.

Nurul Amin becomes Global Islami Bank chairman

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Mohammed Nurul Amin has been appointed as an independent director and chairman of Global Islami Bank following his selection by the Bangladesh Bank.

Amin currently serves as an adviser to iPay Systems Ltd, a digital payment service provider.

During a career spanning over 41 years, he has worked in banks and non-bank financial institutions (NBFIs) and experienced all aspects.

Amin embarked on his career in 1977 with state-owned Janata Bank.

He served as managing director and chief executive officer of Meghna Bank and NCC Bank for about 13 years.

He was also independent director and chairman of FAS Finance & Investment Ltd for three years.

Amin was the chairman of the Association of Bankers, Bangladesh, the Bangladesh Foreign Exchange Dealers' Association and the Primary Dealers Bangladesh.

He completed his honour's and master's degrees in economics from the University of Dhaka.

Later, he obtained extensive training in the banking sector, receiving diploma certification from the University of Oxford and the University of Cambridge in the United Kingdom.

Alamgir elected chairman of Modhumoti Bank exec committee

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Salahuddin Alamgir, chairman and CEO of Labib Group, was elected as chairman of Modhumoti Bank's executive committee in the 79th meeting of its board of directors at its head office in Dhaka recently.



Salahuddin Alamgir

Alamgir is a prominent business personality with more than 25 years of experience in dyeing, textile, banking, leasing, electronics, and information technology, according to a press release.

He is the vice-chairman of IT Consultants (Q-cash), one of the leading IT companies in Bangladesh.

Alamgir is also president of the Bangladesh Dyed Yarn Exporters' Association and acting president of the Gazipur Metropolitan Chamber of Commerce & Industry.

Premier Bank donates Tk 1cr for flood victims

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Officers and employees of Premier Bank recently donated a financial relief package worth Tk 1 crore to assist flood-affected people in various districts of the country.

The sum will be given to the Chief Adviser's Relief and Welfare Fund, according to a press release.

"In this critical moment for our country, Premier Bank, as a socially responsible corporate, believes in taking humanitarian action to create a positive impact in the lives of the flood-hit areas," it said.

This assistance to the flood victims reflects the bank's commitment to stand by the people in times of need.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 31, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	4.35 ↑	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	10.26 ↑
Soybean (litre)	Tk 145-Tk 152	-1.00 ↓	-5.71 ↓
Potato (kg)	Tk 52-Tk 60	-2.61 ↓	28.74 ↑
Onion (kg)	Tk 110-Tk 120	0	35.29 ↑
Egg (4 pcs)	Tk 50-Tk 53	3.00 ↑	0

SOURCE: TCB

As it reins in wasteful investment, China frets over growth

REUTERS, Beijing/ Hong Kong

China's local governments have fallen behind on their debt issuance plans as scrutiny mounts over potentially wasteful infrastructure investment, fuelling talk that such funds could be used in other areas to stimulate growth back towards target.

Investment at a municipal level has for years been one of the most efficient tools to stabilise growth in the world's second-largest economy, whose poor performance in recent months calls for another injection of government stimulus.

But not all such investment has been productive, as evidenced by debt rising faster than growth in the past decade. Large sums were spent on rail, roads and bridges that draw little traffic and are expensive to maintain.

To rein in wasteful spending, authorities have tightened scrutiny on investment projects, especially in China's 12 most indebted provinces.

As a result, in the first seven months of this year, local governments have issued only 45.5 percent of their 3.9 trillion yuan (\$546 billion) special debt quota versus 65.7 percent in the same period of 2023 and 95 percent in 2022.

The softer-than-expected fiscal impulse risks pulling economic growth away from this year's roughly 5 percent target, which is threatened by sluggish household consumption and a severe property sector downturn.

"It has been difficult to find projects that are profitable in the near term," said Jack Yuan, senior analyst at Moody's Ratings. "Many provinces will have difficulties trying to meet their growth targets in the absence of greater state-led investment."

Beijing has allowed local governments to issue more special



People walk along Huguosi Street in Xicheng district, a dedicated food street in Beijing. China's economy has continued its upward trajectory, registering 5 percent growth in the first half of 2024.

PHOTO: AFP/FILE

bonds this year, but they've struggled to come up with ways to spend the funds.

Chinese officials said in March that local special bonds would fund projects with "sufficient preparation" in regions with high investment efficiency.

Yuan and other analysts expect debt issuance to pick up in coming months as authorities prioritise reaching the growth target, as pledged at key political meetings in July.

But this may require Beijing to greenlight new ways for cities and provinces to spend the funds, which are typically used for transportation,

water, energy, urban landscaping and other infrastructure.

Analysts say new areas could include buying empty apartments for social housing or repurchasing undeveloped residential land. Such moves would inject cash into the crisis-hit property sector, providing a lifeline for developers to resume or accelerate construction of behind-schedule residential projects and improving homebuyer confidence.

"The government needs to expand the scope for these bonds," said Larry Hu, chief China economist at Macquarie, who sees real estate as a potential new destination for

such funds. "We will see issuance accelerating, the fiscal support for the economy will rise and then we may still be able to achieve the growth target."

Chinese newspaper Economic Observer reported in June that the Ministry of Natural Resources had proposed that local governments use special bonds to repurchase idle land.

Alternatively, municipal bonds could be used to swap higher-yielding debt issued by local government financing vehicles to ease their funding strain and reduce spillovers to the real economy as they deleverage, Yuan from Moody's said.

Infrastructure investment grew 4.9 percent year-on-year in January-July, slower than the 6.8 percent rise in the same period of 2023.

One government source from Lanzhou, the capital in the indebted Gansu province, said one area local authorities are spending less on is urban landscaping.

While special bonds can be spent on expanding green areas, in many cases that meant replanting a perfectly good park lawn or roadside flowers and greenery, rather than creating new green spaces, the source said.

This generates temporary jobs. But it does not improve living standards long-term, nor offer any returns, while committing the government to debt repayments. Such spending no longer occurred this year, the source said.

"That was a waste," the source said, asking not to be named as they were not authorised to speak to media. "The principle was to spend the money, otherwise it would be taken away."

A source in the Beijing municipal government said "in the past, it was easier to apply for funds. When anyone applied for projects they would ask for as much as possible."

Now "we need to figure out why the project must be done. They say every project is a cost."

One policy adviser, who also requested anonymity due to the topic's sensitivity, said leaning on government investment to fuel growth has resulted in debt and corruption. Local officials need to find projects that produce enough income to repay debt interest, the adviser said.

"But such projects don't exist every year," the adviser said, explaining the slow debt issuance. "It's better to give the money to low-income groups to boost consumption."

French central bank chief urges ECB rate cut

AFP, Paris

France's central bank chief has called for the European Central Bank to cut interest rates at its next meeting in September as eurozone inflation gradually eases.

Reducing borrowing costs at the meeting would be "fair and wise", Bank of France governor Francois Villeroy de Galhau said in an interview with Le Point magazine published Friday.

"We are not yet at our two percent inflation target on a permanent basis, but we will very probably be there in the first half of next year for France and in the second half for the eurozone," he said.

Data this week showed that inflation in France and Germany, the eurozone's biggest economies, had fallen below two percent this month.

And official data released Friday showed consumer price rises in the 20 countries that use the euro eased to 2.2 percent in August, their lowest level in more than three years and not far off the ECB's two-percent target.

"If we waited until we were actually at two percent to lower rates, we would be acting too late," said the French central bank chief, noting that it takes some time for monetary policy changes to feed through to the economy.

The Frankfurt-based ECB launched a historic campaign of interest rate hikes in 2022 after Russia's invasion of Ukraine sent energy and food costs soaring. Inflation peaked at 10.6 percent in October that year.

With inflation easing, the ECB cut rates for the first time after the hiking cycle in June. It kept borrowing costs on hold in July but expectations have been growing for a further cut at its meeting on September 12.

Earlier Friday, ECB board member Isabel Schnabel said, however, that rate setters should proceed "gradually and cautiously" in loosening monetary policy as there were still challenges in tackling inflation.