

star BUSINESS



BB eyes rate cut to 7% if inflation slows to 5% by March

Governor says economic conditions should remain tolerable to investors

STAR BUSINESS REPORT

The Bangladesh Bank will consider slashing the policy rate to 7 percent by March, provided that rampant inflation, which has hovered above 9 percent for nearly two years, eases to 5 percent by then, Governor Ahsan H Mansur said yesterday.

Inflation was recorded at 9.35 percent in March this year while the policy rate, or repo rate, which refers to the interest commercial banks must pay on funds borrowed from the central bank, currently stands at 10 percent.

"If inflation comes down further, we could cut the policy rate to 6 or even 5 percent — but it depends on how well we meet our inflation target and manage the economy," he said.

Mansur made the comments at a panel discussion organised by Building Technology & Ideas (bti) Ltd, a real estate company, in Dhaka, titled 'Investment Options in Current Economic Condition'.

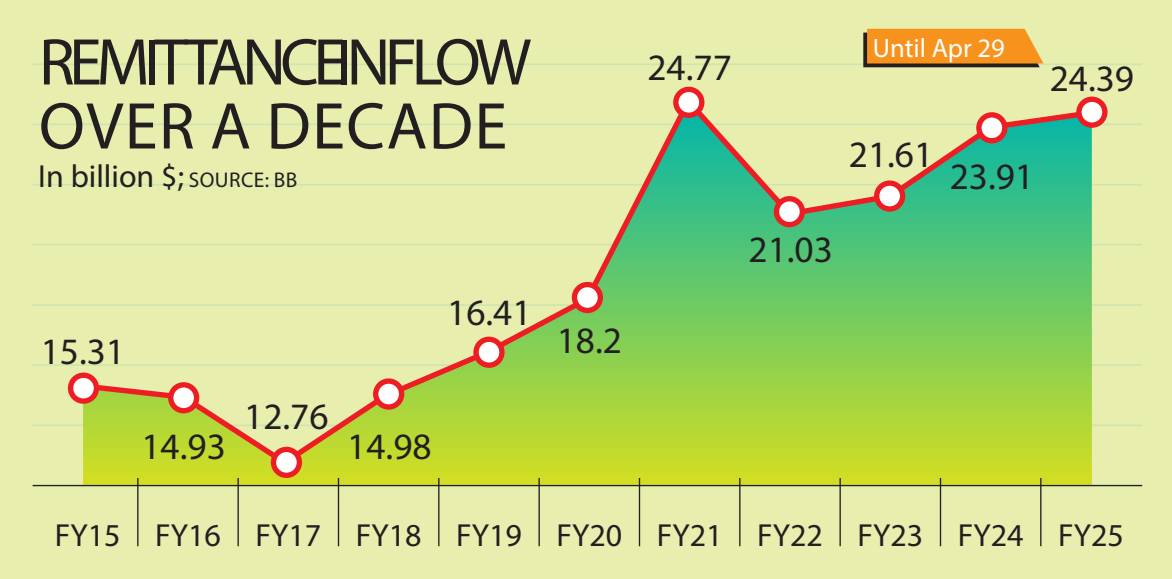
In addition, the governor emphasised the need to maintain a positive real interest rate to protect savers or depositors.

"We can't let savers be squeezed out. We have to encourage them while also ensuring conditions remain tolerable for investors," he said. "To achieve this, we will need to tackle two challenges at the same time. There's no silver bullet."

"On top of that, we have to address inflation as well as the exchange rate. Without a reasonable degree of macroeconomic stability or the exchange rate remaining relatively stable, we won't be able to keep

Remittance in ten months surpasses FY24 total

Economists call it a tonic, not a cure-all



MD MEHEDI HASAN

Remittance inflows in the first ten months of the current fiscal year have already exceeded the total receipts of FY 2023-24, providing a much-needed breather to the economy and easing a severe foreign currency crisis.

The surge in money sent home by Bangladeshi expatriates is being credited to a cocktail of factors, such as a narrowing gap between official and informal exchange rates, a clampdown on money laundering, and renewed confidence of the people living abroad in the interim government.

From July to April 29 of FY 2024-25,

Bangladesh received \$24.39 billion in remittances, up 2 percent from the \$23.91 billion received in the previous fiscal year, according to Bangladesh Bank (BB) data.

A senior BB official estimated that total receipts could reach \$27 billion to \$28 billion by the end of June.

Economists, however, said that the surge is a tonic for the stressed macro-outlook, but not a cure for all economic ills.

The country previously crossed the \$24 billion mark in FY 2020-21,

when remittances totalled \$24.77 billion.

Now, the latest spike in remittance inflow is playing a key role in helping the interim government stop the depletion of foreign currency reserves.

A senior central bank official said the narrowing of the gap between official and unofficial exchange rates has driven this uptick.

Currently, the official exchange rate for the US dollar ranges from Tk 121 to Tk 122.50, while rates in the informal market hover between Tk 123 and Tk 124.50, according to industry insiders.

The central bank official also said that they have informed



GOVERNOR SAYS

No money was printed to support govt as of now BB injected some liquidity to help some banks pay depositors' money

There is no shortage of dollars for importing liquefied natural gas



inflation under control," he said.

"Yes, there's macroeconomic complexity here, but it's doable." However, the governor also underscored the need to check the budget size.

"We can't implement the budget by printing money or without collecting sufficient revenue. That won't work."

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bKash logged 67% profit growth in 2024

STAR BUSINESS REPORT

Mobile financial services (MFS) provider bKash posted a rise in profit and revenue in 2024.

The MFS company posted a profit of Tk 315.77 crore in 2024, marking a 67 percent year-on-year increase, according to its latest financial statements.

Revenue for the arm of BRAC Bank also rose by 20 percent year-on-year to Tk 5,058.20 crore during the year.



bKash, which started operations in 2011, has played a significant role in expanding mobile financial services (MFS) across Bangladesh.

BRAC Bank currently holds a 51 percent equity stake in the MFS company, established in 2010, according to its website.

Over the years, bKash has attracted a series of strategic investments from global entities, including the Bill & Melinda Gates Foundation, Alipay Singapore E-Commerce Private Ltd, and SoftBank.

ICB traces 38 companies with IPO potential

AHSAN HABIB

Listing of Grameenphone on the stock exchange in 2009 had a huge impact as thousands of investors flocked to open beneficiary owner accounts to get shares of the high-performing company through the initial public offering (IPO).

It ultimately created hype among investors to pour funds into the equity market. After that, no company could create such hype and the market also remained depressed.

Analysts have for many years been urging the listing of companies with good performance records, as it could boost investors' confidence overnight. They state that at least profitable state-run companies should be listed.

Taking the cue, the Investment Corporation of Bangladesh (ICB) has traced 38 potential entities from among state-run, multinational, and local pharmaceutical companies that could go for IPOs.

The Ministry of Finance should be serious about ensuring the listing of state-run companies and impose a relevant condition in the next national budget. Simultaneously, a roadmap is required for the listing of these companies, according to the analysts.

Of the potential companies, 12 are state-run, 24 multinational, and 38 pharmaceutical.

Mazeda Khatun, general manager of the ICB, identified these companies a couple of months ago considering their business nature, profitability, and income.

She provided the list to the Bangladesh Securities and Exchange Commission (BSEC), Financial Institutions Division, and Capital Market Development Committee, which is led by Anisuzzaman Chowdhury, who was appointed as the chief adviser's special assistant last month.

It is high time to enlist the state-run companies, as none can defer it during the tenure of this interim government, given such plans were postponed in the past for different reasons, she said.

"It is highly possible to enlist multinational companies too by giving all types of waivers that they seek in order to ensure a higher supply of good shares," she told The Daily Star.

"If they can offload shares in other countries, why will they stay shy in our country... there is no reason," she added.

forward to take responsibility for drawing well-performing companies, said Saiful Islam, president of the DSE Brokers Association of Bangladesh.

It can also offer budgetary allocations for companies that get listed within a specific period. There should also be a

LISTING OF STATE-RUN COMPANIES

- Till now 22 companies got listed
- No state run company was listed in the last one decade
- The most recent listing was Bangladesh Submarine Cables PLC, which joined the market in 2012

RECOMMENDATIONS



When budget allocation is given to state-run firms, a condition should be imposed for their compulsory listing



National budget can give a roadmap for listing state-run firms

Meanwhile, the BSEC has announced that it will focus on facilitating IPOs of well-performing local, multinational, and state-run companies in order to boost investors' confidence.

To attract good companies to the market, the BSEC is trying to ensure at least a 10 percentage-point difference in the tax paid by listed and non-listed firms through the upcoming budget.

It is also advocating for barring manufacturing companies from availing high amounts of bank loans if they have not yet gone public.

The Ministry of Finance should come

roadmap for getting all the companies listed within that period, he said.

Inclusion of the companies in the capital market will boost investor confidence, as most of them have been doing good business for years and have near monopolistic control of the market, he said.

For instance, Padma Oil, Jamuna Oil, and Meghna Petroleum have been providing handsome dividends for a couple of decades, said Islam.

There are several examples of companies with poor performance that failed to pay any dividends for years.

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Govt to issue Interpol alert against absconding factory owners

Labour adviser says

STAR BUSINESS REPORT

The government will issue "Red Notices" through Interpol for businesspeople who fled abroad without paying workers' dues, Brig Gen (ret'd) M Sakhawat Hussain, adviser to the Ministry of Labour and Employment, said yesterday.

The mentality of looking after workers' well-being has not developed among businesspeople in Bangladesh, he told a mock parliamentary debate in Dhaka.

A "Red Notice" is a request to law enforcement worldwide to locate and provisionally arrest a person pending extradition, surrender, or similar legal action.

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Patenga terminal begins to handle import containers

STAFF CORRESPONDENT, Ctg

The Patenga Container Terminal (PCT), the first foreign firm-operated terminal of Chattogram Port, has started handling import-laden containers around 11 months after beginning partial operations in June last year.

With this, the terminal has finally commenced two-way cargo operations, handling both import and export containers from a vessel.

So far, ships had been berthing at the terminal only to take away export containers.

Saudi firm Red Sea Gateway Terminal (RSGT) is operating the terminal.

A ship named Maersk Chattogram, carrying around 1,700 TEUs (twenty-foot equivalent units) of import containers from Port Klang, berthed at a jetty of the terminal on April 30, said a press release issued by RSGT Chittagong today.

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