

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.26%	▲ 0.50%	\$1,579.70	\$58.39	▼ 0.69%	▼ 1.72%	▼ 0.37%	Closed	83.95	92.31	110.23	11.85	
4,481.51	8,277.47	(per ounce)	(per barrel)	40,913.82	22,977.75	3,170.68		BUY TK	84.95	96.11	114.03	12.46

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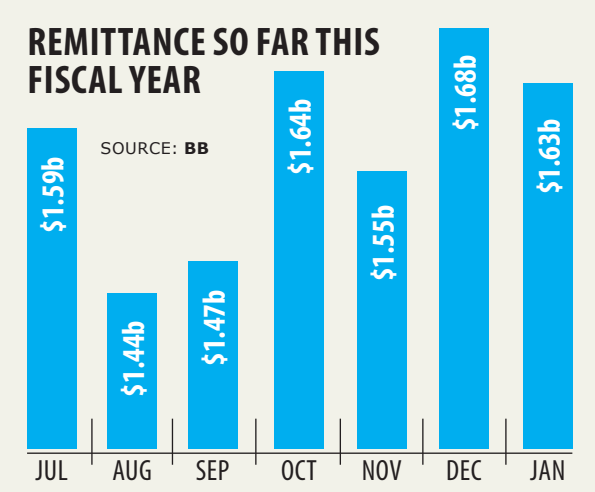
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Remittance floating uphill



STAR BUSINESS REPORT

Remittance continued its upward trend last month, with migrant workers sending home 3 per cent more than they did a year earlier, in what can be viewed as the perfect foil to the sliding exports, the other source of foreign exchange for the government.

Export earnings fell 5.84 per cent year-on-year to \$19.3 billion in the first six months of the fiscal year, according to data from the Export Promotion Bureau.

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MUHAMMAD ZAHIDUL ISLAM

Mobile financial service, the great hope for financial inclusion, appears to be faltering.

Last year, about 3 crore users transacted Tk 434,489.92 crore through the platform by, up 14.68 per cent year-on-year, according to data from the Bangladesh Bank.

It is decent growth but, it pales in comparison to those experienced in previous years.

The growth rate seems to be good in general but in a country like Bangladesh, which is moving towards digitalisation, the transaction volume should be far greater, said industry insiders.

A lack of confidence and proper knowledge on online payment platforms is a major challenge faced by the market, said Md Mahbubur Rahman Alam, an associate professor of the Bangladesh Institute of Bank Management (BIBM).

At the end of last year, the total number of MFS accounts stood at 7.96 crore. But just 3.48 were active, in a testament of the cooling interest on MFS.

Another reason behind the dip in usage is that in recent times other digital payment channels have come up, while regular banks have also come up with convenient application-based platforms in a bid to make online transactions more appealing.

"That is why MFS users have migrated away," Alam added.

But, bKash, the market leader for

online payment systems, maintains that their growth rate is steady.

The transaction volume has increased manifold thanks to customers signing up in droves and roll out of various MFS products, said Sheikh Md Monirul Islam, chief external and corporate affairs officer of bKash.

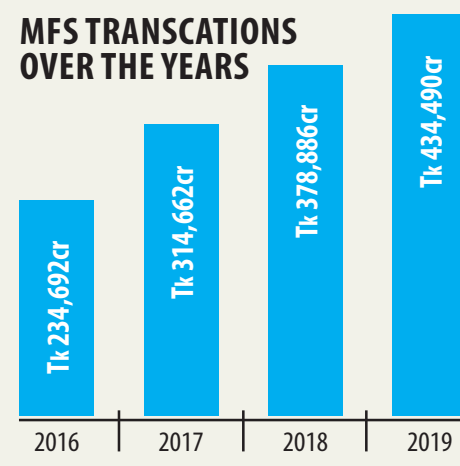
The market is still widely dominated by vanilla transactions like deposits and withdrawals, which accounts for about 72.60 per cent of the total MFS transaction volume.

For bKash, innovation seems to be the key to its survival.

bKash account holders can now pay utility bills, make payments at registered bKash merchant outlets as well as top up their mobile phone numbers seamlessly.

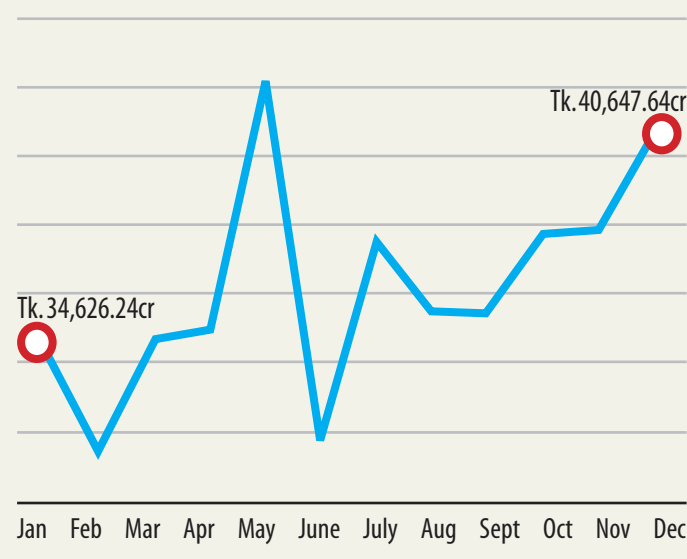
Having micro merchants on board will help bKash reach its target to have customers make payments for their daily needs on the platform, Islam said, adding that the 2 per cent cash incentive against remittance has also boosted its transaction volume.

MFS needs to improve their services and collaborate with



MFS losing steam

MFS transactions in 2019



other online service providers, said Alam of BIBM, while citing the option of salary disbursement through the platform as a case in point.

Only a few hundred companies are utilising the platform to pay their workers' salaries. Only Tk 10,188.83 crore has been disbursed as salaries, which is just 2 per cent of MFS's total transaction value.

"This is not at all satisfactory," he added.

Currently, about 3.61 lakh garment workers are paid through bKash. In 2018, only 1.60 lakh workers were paid through the platform, while the number of merchant points, which is now 1.19 lakh, was only 73,599, according to bKash.

Payments for educational institutions and utility bills can also be done through the

MFS. However, the net worth of transactions is just Tk 5,023.45 crore, industry insiders said.

Merchant payments could be a major sector for MFS transactions as that value was only Tk 5,465.27 crore last year.

People do not trust most of the e-commerce platforms, which is why they hold off from making payments for the products before getting the products in their hands.

"This is why the number of payments made through MFS are not increasing at a satisfactory rate," Alam said.

Last year, the government launched a new platform called 'Nagad' under the postal act. The platform is run by a separate organisation and holds a significant share of the market.

After launching the service on March 26 last year, transactions worth a few hundred crore taka were completed. Currently, they

have a transaction value of about Tk 100 crore a day.

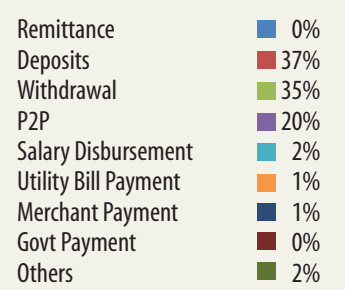
Since Nagad is being run under the postal act, the central bank does not have any control on the transaction system, which is enjoying a far greater transaction volume than the other traditional MFS operators.

A Nagad user can make transactions worth up to Tk 2.5 lakh on any given day but the monthly limit is set at Tk 5 lakh. Other MFS operators can transact only Tk 30,000 a day while their monthly limit is Tk 2 lakh.

However, according to the market insiders, MFS users are still unable to make payments across platforms, which is a major challenge faced when making online payments.

In a recent meeting with the e-Commerce Association of Bangladesh's (e-CAB), the state minister for ICT Zunaid Ahmed Palak said that they are working on including this benefit by the end of this year.

BY SEGMENT



Donors commit \$4.25b in this year's BDF: Kamal



STAR BUSINESS REPORT

Three foreign donors made commitments of \$4.25 billion of new funds in Bangladesh Development Forum this year, in what was a first for the ten-year-old biennial gathering.

They came up with the funds in honour of the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Finance Minister AHM Mustafa Kamal told a press briefing in his office yesterday.

"This year's BDF has been very fruitful," he said.

The two-day event, which was

COMMITTED FOREIGN FUND

Donor	Commitment
GREEN CLIMATE FUND	\$1.2b
THE WORLD BANK	\$350m
JICA	\$2.7b

organised by the Economic Relations Division at the capital's Bangabandhu International Conference Centre, wrapped up on January 30.

At a meeting, Javier Manzanares, deputy executive director of Green Climate Fund (GCF), expressed a willingness to extend \$1.2 billion to Bangladesh for a period of four years, Kamal said.

Manzanares reiterated the interest in a separate meeting with Prime Minister Sheikh Hasina.

Bangladesh has never received any fund from GCF, which was mainly formed to provide financial assistance

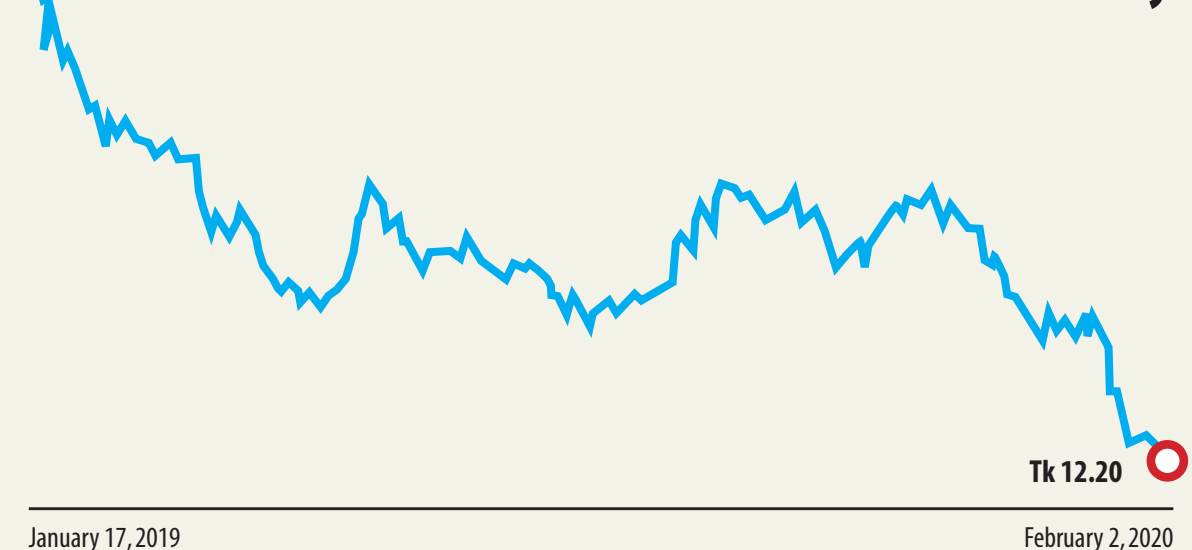
to countries badly hit by climate change.

Set up in 2010 by the United Nations Framework Convention on Climate Change, GCF is the world's largest dedicated fund helping developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change.

GCF launched its initial resource mobilisation in 2014, and rapidly gathered pledges amounting to \$10.3 billion mainly from developed countries.

READ MORE ON B3

SS Steel ebbs away



SS Steel continued to nosedive even though the overall market sentiment remains upbeat. The stock made its debut on the premier bourse on January 17 last year and touched the Tk 50-mark that day. It has been on a downward trend since, much to the frustration of investors. Yesterday, it closed at Tk 12.20.

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Anjan Chowdhury, managing director of Square Toiletries, speaks at the annual sales conference of Square Toiletries (zone one) at Ratnodweep Resort in Pabna yesterday.

India raises import taxes in move set to spook some foreign firms

India on Saturday raised taxes on imports of goods such as electronic items, toys and furniture, aiming to give impetus to domestic manufacturing in a move that will hit Sweden's IKEA and other foreign firms.

The measures, announced by Finance Minister Nirmala Sitharaman in her 2020-21 budget, come amid criticism from some companies that India has increasingly resorted to protectionist rules that discriminate against foreign companies.

Chinese central bank to pump \$173b into economy in virus fight

AFP, Beijing

China's central bank said Sunday it would pump 1.2 trillion yuan (\$173 bln) into the economy as it ramps up support for a nationwide fight against a deadly virus that is expected to hit growth.



Security personnel and local officials stand guard at an entrance of a residential area for migrant workers in a village on the outskirts of Beijing yesterday.

China's central bank urged financial institutions to provide "sufficient credit resources" to hospitals and medical research units, among other measures.

term trend", reported the state-run People's Daily. But China's travel and tourism sectors have already taken a hit over an unusually quiet Spring Festival break this year, with large-scale events cancelled, public attractions closed and people urged to stay home to help contain the outbreak.

sayng the rationale was that if certain goods were being manufactured locally at "equal quality, if not better, (then) we had no reason to import."

Taxes on imported toys would be tripled to 60 percent, a move one industry executive said could hit imports of toys made by firms such as Lego, Hasbro and Mattel, and boost smuggling of unbranded toys from abroad.



Zahir Ahmed, vice chairman of ADN Group, receives an 'International Finance Award' accorded to ADN Telecom by UK-based International Finance Magazine as the most innovative telecommunications service provider at a hotel in Dubai recently.

Japan seeks to contain economic impact of virus

REUTERS, Tokyo

Japan on Saturday moved to contain the economic impact of a coronavirus outbreak originating in China as strict new measures aimed at limiting the spread of the virus, including targeting foreign visitors, came into effect.

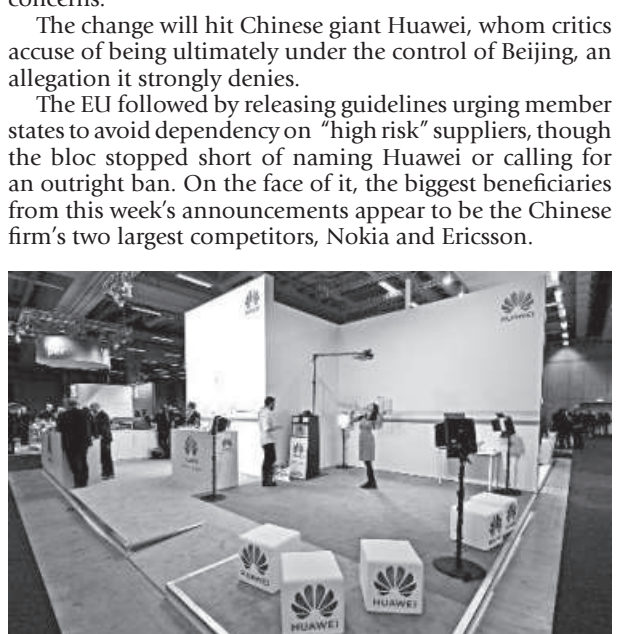
Bangladesh Election Commission Tender for Goods (Single Lot)

Table with 4 columns: Item No., Description, Location, and Amount. It lists procurement details for print servers and accessories.

Huawei 5G troubles to test Nordic competitors' bandwidth

AFP, Helsinki

Tougher UK and EU rules restricting 5G network supplier Huawei should be a golden opportunity for competitors Nokia and Ericsson, but the companies may struggle to meet the increased demand, analysts warned.



Huawei booth is pictured at the venue of a congress of the Social Democratic Party in Berlin.

"BT in the UK thinks it's going to cost it 500 million (\$660 million) to switch out Huawei, so a good chunk of that will now be going to Nokia and Ericsson," analyst Matthew Howett of Assembly Research told AFP.

On Friday, Nokia welcomed the EU's guidelines and commitment to cybersecurity, saying in a statement that "5G starts and ends with trust and security."

Official document from Bangladesh Police regarding a tender for goods (Single Lot) with detailed specifications and terms.

Emirates named airline of the year

Novoair the best domestic carrier in the Monitor Airline of the Year Awards

STAR BUSINESS REPORT

Luxury carrier Emirates has been adjudged the airline of the year for 2019 based on a poll among frequent flyers from Bangladesh.

Local airline Novoair was named the best domestic carrier in the survey conducted by travel and tourism publication the Bangladesh Monitor and sponsored by travel aggregator ShareTrip.

Ahmed bin Mohammed Al-Dehimi, Qatar's ambassador to Bangladesh, handed over trophies among the representatives of the

airlines at a ceremony at the Pan Pacific Sonargaon hotel in Dhaka on Friday.

Airlines operating in Bangladesh, including four domestic ones, were awarded in 16 categories, according to a press release.

Based on the number of votes, the airlines in each category received gold, silver and bronze trophies.

Qatar Airways was adjudged the best cargo airline while AirAsia the best budget carrier.

The idea of conducting the poll is to assess popularity of the airlines operating in Bangladesh, judge

their service standards and create an atmosphere of healthy competition, said Kazi Wahidul Alam, editor of The Bangladesh Monitor.

"We have been observing ever-growing enthusiasm among the frequent flyers about the poll, which has been serving as an inspiration for us to organise the event on a regular basis since 2007."

Stephen James Peters, general manager of the Pan Pacific Sonargaon; Tanveer Ali, a director of ShareTrip, and Daraz Mahmud, general manager at MGH Travelport, also spoke on the occasion.



Ahmed Mohammed Al-Dehimi, ambassador of Qatar in Bangladesh; Shibli Rubayat UI Islam, dean at the faculty of business studies at Dhaka University; Kazi Wahidul Alam, editor the Bangladesh Monitor, pose with the winners of the Monitor Airline of the Year 2019 at Pan Pacific Sonargaon Dhaka on Friday.

Shippers' Council re-elects top brass

STAR BUSINESS DESK

Md Rezaul Karim, proprietor of SN Jute International, has recently been re-elected chairman of the Shippers' Council of Bangladesh for a two-year term. He is also vice chairman of Asian Shippers' Alliance.

The election took place at the council's 38th annual general meeting at Dhaka Club, according to a statement.

The council also re-elected Md Ariful Ahsan, chairman of Silk Container Lines, and Md Munir Hossain, a director of Dress World, as senior vice chairman and vice chairman respectively.

UK's Johnson plans full border checks on EU goods

REUTERS, London

British Prime Minister Boris Johnson is preparing to impose full customs and border checks on all European Union goods entering Britain from next year, in an attempt to increase pressure on the bloc in trade talks, The Daily Telegraph newspaper reported.

"We are planning full checks on all EU imports - export declarations, security declarations, animal health checks and all supermarket goods to pass through Border Inspections Posts," Saturday's Telegraph quoted a senior government source as saying.

"This will double the practical challenge at the border in January 2021," the source added. Under previous government plans for a no-deal Brexit last year, where Britain left the EU abruptly without any trade deal, only a small proportion of goods would have been checked.

Britain left the EU at 2300 GMT on Friday with a temporary transition deal, starting an 11-month period during which Johnson aims to negotiate a free trade agreement similar to that between Canada and the EU.



BB gets new GM

STAR BUSINESS DESK

Md Rafiqul Islam has recently been promoted to general manager at Bangladesh Bank.

Prior to the promotion, he was a deputy general manager of the central bank, according to a statement.

Islam joined Bangladesh bank as an assistant director in 1996.

He completed his graduation and post-graduation in biochemistry and molecular biology from Dhaka University.

New promise for stocks

FROM PAGE B4

DSEX, the benchmark index of the Dhaka Stock Exchange, was hovering around the 5,000-mark in September last year but sank to 4,036 points on January 14 this year.

Turnover, another important indicator to gauge the strength of the bourses, plunged to Tk 250 crore from Tk 1,000 crore during the period.

Amazon highlights taxes paid in pushback against critics

AFP, Washington

Amazon said Friday it paid more than \$1 billion in US federal income taxes in 2019 as it pushed back at criticism over its corporate responsibility.

A blog post by Amazon sought to highlight its investments and contributions to the US economy, in a move to fend off critics claiming it benefits from taxpayer subsidies.

"Since 2010, we've made more than \$270 billion in investments in corporate offices, customer fulfillment and cloud infrastructure, wind and solar farms, eco-friendly equipment and machinery and compensation to our teams," Amazon said.

"These investments are accelerating, and we estimate that they have contributed an additional \$168 billion to the US GDP since 2010." The tech giant, whose market valuation moved back above \$1 trillion following its earnings report Thursday, said

it paid more than \$1 billion in US federal income taxes in 2019, along with \$2.4 billion in other federal taxes, including payroll taxes and customs duties.

It said it "collected and remitted nearly \$9 billion in sales and use taxes to states and localities throughout the US" last year and paid over \$1.6 billion in state and local taxes.

Amazon faced criticism over its prior annual reports which appeared to show it paid no federal income taxes in 2017 and 2018, and received some rebates after a tax reform measure passed by Congress -- joining several other large corporations whose tax bill was cut by the law.

Amazon's statement Friday said it adheres to "all applicable federal and state tax laws," while noting that it takes advantage of laws that encourage economic investment and job creation.

"Over the last decade, no other US-based company has created more jobs than Amazon," the statement said.

Remittance floating uphill

FROM PAGE B1

In January, expatriate Bangladeshis sent home \$1.63 billion to take the total thus far in the fiscal year to \$11.04 billion.

The seven-month receipts are up 21.43 per cent year-on-year, according to data from the Bangladesh Bank.

If the trend continues, remittance will hit a benchmark of \$20 billion come the end of the fiscal year, said senior bank officials.

The government's move to provide a 2 per cent cash subsidy for remitters from fiscal 2019-20 was the main reason for the spike, they said, adding that many banks are giving their all-out effort to bring in more remittance through the official channels.

"The favourable exchange rate of taka against the dollar and a strong stance taken by the central bank to fight illegal money transfers have also had a positive impact on remittance," said

Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

On February 2, the inter-bank exchange rate stood at Tk 84.90, up 1.10 per cent from a year earlier, according to data from the central bank.

He went on to express hope that the deficit in the current account of the balance of payment (BoP) will further narrow because of the upward trend of remittance.

But the upward trend of remittance may face slight hiccups in the months ahead when banks will implement the 6 per cent interest on deposit and 9 per cent on lending.

"A good portion of remittance is usually kept in the form of fixed deposits at local banks. So, remitters may be discouraged from sending money to the country," said Rahman, also the immediate past chairman of the Association of Banks, Bangladesh, a forum of banks' managing directors.

Depositors will not get much benefit from the 6 per cent interest rate given the inflation and service charge imposed by lenders.

Banks located in many foreign countries do not give any interest to depositors; rather, savers have to pay to lenders against their deposited amount, Rahman added.

Faruq Mainuddin Ahmed, managing director of Trust Bank, echoed the same about the headwinds on remittance thanks to the 6 per cent interest rate on deposits.

The massive expansion of mobile financial services and agent banking have also helped encourage the remitters to send their hard-earned money through the formal channel, said another official of a bank.

Through the channel, the near and dear ones of remitters can receive the funds within the shortest amount of time, he added.



Shakil Jowad Rahim, director for bus and truck division at Shohoz, and Hemant Kumar, general manager for operation (technical) at Runner Motors, attend a deal signing ceremony on Runner's factory premises at Bhaluka in Mymensingh recently. Shohoz will provide logistics support to the automaker.

US offering credit guarantee to import its agriculture produce

FROM PAGE B4

Foreign financial institutions benefits from access to US dollar financing with the correspondent US financial institution. They can borrow US dollars at potentially reduced interest rates, Dorsett said.

And because of reduced risk, banks now can give cheaper interests rates or give more favourable terms.

The USDA also said that it provides a 98 per cent guarantee on the principal payment from non-American financial institutions.

Under the scheme, a US exporter will have to establish a sales contract with a buyer and then apply for a guarantee. Then, the importer obtains a letter of credit to cover the sale before the exporter assigns the guarantee to an American bank.

"Goods are shipped and a US bank pays the exporter. The foreign bank will then make a payment to the US bank," Dorsett said.

US exporters will bear 2 per cent of the risk under the export credit guarantee scheme and will only receive the initial payment upon delivery of their products.

The importer can make the rest of their payments over time, she added.

To avail the export credit guarantee, non-American banks are initially required to apply to the USDA to become eligible for the programme.

If any importer is interested, they should consult a local bank, which is approved for the programme. The USDA offers \$5 billion in credit guarantees worldwide each year under the programme.

This policy guarantees payment on purchases of American food and agricultural products.

Participating local banks can access dollar financing for up to 12 months from US banks at potentially lower interest rates, said the US Embassy in a press release.

"We hope multiple banks in Bangladesh will apply for enrolment in the program," said Tyler Babcock, agricultural attaché at the US Embassy in Dhaka.

The financing costs for imports from the US might be cheaper if firms go through local banks approved for the scheme, said Ariful Islam, assistant vice-president at Bank Asia.

Elisa Wagner, financial analyst at USDA, and Shah Md Ahsan Habib, director of training at the Bangladesh Institute of Bank Management, also spoke at the event.

Narrative of Bangladesh has changed for the better

FROM PAGE B4

These activities are perpetrated by a certain influential coterie of elites, who are usually the beneficiaries of patronage politics.

"Such wrongdoings may not be considered as signs of ethical degradation of society at large."

This culture of patronage politics makes governance reforms all the more difficult and also directly harms the pace and quality of economic growth.

If leading political and economic entrepreneurs are the beneficiaries of the prevailing system of governance dysfunction riddled with unethical practices they have little incentive to change the system.

"Which is why, a big jolt is needed to correct the moral compass of the system," Mahmud added.

The government is set to unveil their 8th Five Year Plan on July 1, Mannan said.

"We are also pursuing the Sustainable Development Goals (SDGs) in the context of our own developments plan. The idea is to coordinate our own plans along with the SDG plans so that both can be implemented together and we are able to reach better synergy in our activities here," he added.

SANEM Chairman Bazlul Haque Khondker chaired the event.

Donors commit \$4.25b in this year's BDF: Kamal

FROM PAGE B1

Conditions that would be impossible for Bangladesh to implement will not be tagged with the GCF funds, Kamal said, adding that a list of projects will now be sent to the GCF.

Another team of World Bank officials led by Hartwig Schafer, its vice-president, met with the minister and promised to provide \$350 million to help the local communities of Ukhia and Teknaf and the Rohingya.

Of the sum, about \$100 million will be used as additional financing for the social safety nets for the poorest, especially in the local communities, Kamal said.

About \$150 million will be given for health and gender support project and the rest will be used for emergency multi-sector Rohingya crisis response project.

The Washington-based multilateral lender is already running three projects worth \$240 million for the Rohingyas.

Asked whether it will be correct to receive funds for the Rohingyas when the government is trying to send them back to Myanmar, the minister said: "Their repatriation will not take place overnight."

The government is making all-out effort to send the Rohingyas back to their

motherland. But the government will need a lot of money to take care of the displaced population as long as they are living inside Bangladesh, Kamal said.

Meanwhile, Japan International Cooperation Agency (JICA) also committed to give Bangladesh an additional \$2.7 billion as loan along with its regular assistance.

Junichi Yamada, senior vice-president of JICA, expressed the interest in a meeting with Kamal.

The Japanese governmental agency that coordinates official development assistance has already identified four of the six projects where it wants the funds to be used, the minister said.

JICA has been working in nine programmes in Bangladesh since its independence.

The agency works to accelerate sustainable economic growth with equity and bringing people out of poverty as it become a middle-income country.

The development partners have made a lot of recommendations, which the government will add in its next five-year plan, Kamal added.



Mohammad Atiqur Rahman, country director for Bangladesh at Dell Technologies, launches the company's four models of laptops equipped with 10th generation Intel Core processors from Dell's XPS and Inspiron series, at an event at Renaissance Dhaka Gulshan Hotel recently.



RN Paul, managing director of RFL Group, and Mohammad Moniruzzaman, a director of RFL Plastics, attend the latter's dealers' conference at RFL Industrial Park in Gazipur recently.

Marico Bangladesh staying ahead of the curve

AHSAN HABIB

Parachute Coconut Oil: one product by which Indian fast-moving consumer goods brand is almost synonymous with.

So much that almost 70 per cent of Marico Bangladesh's revenue came from this product alone, according to its latest annual report.

The problem with such heavy dependency on one product is that it leaves the company vulnerable to the vagaries of consumers. If one fine day they decide they had enough with the product, they will simply jump ship, leaving the company in a delicate situation.

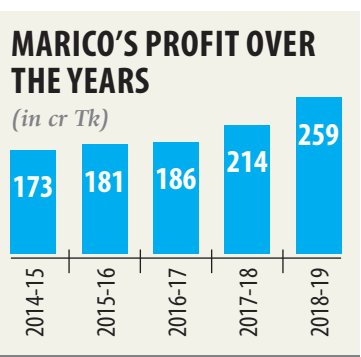
Marico Bangladesh, perhaps, is sensing such a situation, which is why it shelled out Tk 30 crore to roll out a male grooming product line by the moniker of Studio X in order to diversify its product base.

The line, which was launched last week, currently consists of shampoo, face wash and hair gel, all made in Bangladesh.

Bangladesh's male grooming market is now worth Tk 100 crore but it has the potential to grow further.

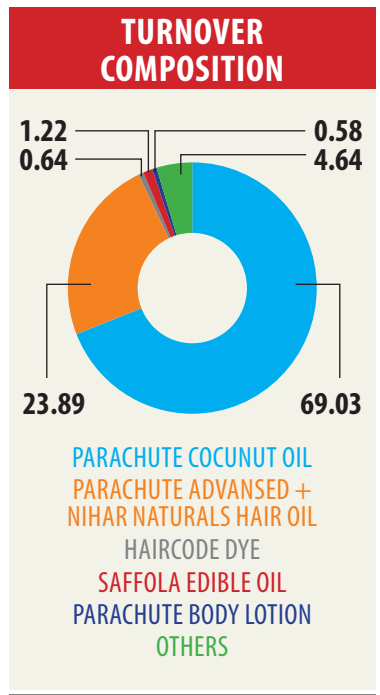
With a younger and more connected generation, today's male consumer segment is more aware than ever of their appearance and have differentiated grooming

PRODUCT	GROWTH
Parachute Coconut Oil	4.22%
Parachute Advanced + Nihar Naturals hair oil	39.97%
HairCode hair dye	14.85%
Saffola edible oil	108.07%
Parachute Body Lotion	-27.31%
Others	19.58%



The company's revenue growth was 12.2 per cent and profit growth 23.2 per cent in its last financial year, which ended in March 2019. Marico Bangladesh provided 600 per cent cash dividend to shareholders.

Marico's earnings per share was Tk 67.88 in the first three quarters of the current financial year, up from Tk 49.39 a year earlier. The company announced 300 per cent interim cash dividend too.



needs, said Ashish Goupal, managing director of Marico Bangladesh.

"We introduced our international male grooming range in Bangladesh, to cater to today's style-conscious men of Bangladesh," he added.

Marico Bangladesh's foray into the male grooming arena though excited the stock market: its share price advanced 2.51 per cent over the course of the week to close at Tk 1,713 yesterday.

FMCG industry insiders said male grooming is on the rise globally and the movement will catch on in Bangladesh due to multiple factors: a growing economy, a young population, the desire to look their best and aspiration to latch on to global trends.

"It is a good sign to see when a company goes for product and turnover diversification," said

Mir Ariful Islam, research head of Prime Finance Asset Management Company.

This is good for the future of Marico Bangladesh because a single product-led company may face trouble any time.

"Already the company is bringing in many new brands and getting results too," he added.

Today, Marico Bangladesh has a portfolio of 24 brands in the personal care and food categories.

The company's flagship brand, Parachute, has maintained its leadership position and now holds the highest ever market share in the branded coconut oil category.

On the other hand, its value-added hair oil portfolio, consisting of Parachute Advanced and Nihar Naturals, has shown robust growth and now contributes 36 per cent to its business turnover.

Narrative of Bangladesh has changed for the better

Says Wahiduddin Mahmud at the 5th SANEM Annual Economists' Conference

STAR BUSINESS REPORT

The narrative of Bangladesh has changed from 'basket case' to a 'development surprise', but achieving sustainable socioeconomic progress in future will prove to be increasingly difficult without huge changes in the current governance environment, said noted economist Wahiduddin Mahmud.

"The experience of successful developing economies shows that sustained progress can be achieved only with a governance system based on strong state institutions and in-built mechanisms to ensure efficiency and accountability at all levels of state machinery," Mahmud said at the 5th SANEM Annual Economists' Conference (SAEC) yesterday.

This applies irrespective of whether the ruling regime is autocratic or dominated by one major political party or is based on multi-party democracy, Mahmud said in his keynote speech.

The two-day event, organised by the South Asian Network for Economic Modelling (SANEM) at the BRAC Centre Inn, was inaugurated by Planning Minister MA Mannan.

While ruling regimes are obliged to seek legitimacy through the delivery of their many welfare promises, this is done within the limits of an adverse governance environment, characterised by widespread corruption and patronage politics, said Mahmud, a former economics professor at the University of Dhaka.

Bangladesh is now poised to graduate

from the least-developed country bracket.

The overall governance environment may barely be enough to cope with this transition but it may ultimately prove to be a barrier to modernisation, global integration and poverty reduction.

Managing a well-functioning globally integrated economy requires a governance system that is based on professionally competent and well-sourced government agencies that can identify and analyse problems, work out solutions and monitor implementation promptly and with enough information.

He went on to state that there is no excuse for failing to reach international standards in aspects such as air traffic control.

Citing the socioeconomic gains that Bangladesh has achieved, he also said that a number of the country's accomplishments such as decreased cases of diarrhoea was achieved by adopting low-cost solutions.

However, continued progress may increasingly depend on larger public social spending and improved service delivery systems.

Mahmud, now chairman of the Economic Research Group, Dhaka, also spoke about unethical practices.

There are large-scale maleficent activities driven by illegal economic gains.

He cited the stock market scam or the wilful defaulting of bank loans, which are beginning to shake the confidence of depositors in financial institutions.

Money laundering occurs as a result of capital flight or unlawful grabbing of land.

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US offering credit guarantee to import its agriculture produce

STAR BUSINESS REPORT

The US is offering favourable terms to hook foreign companies towards its agricultural produce as part of the Trump Administration's push to increase exports.

An increasing number of American farmers struggled to make ends meet in 2019 as trade tensions added to a range of growing challenges in the sector, from severe weather to low commodity prices.

There were 595 Chapter 12 farm bankruptcies filed last year, according to court filings reviewed by the American Farm Bureau, up 20 per cent year-on-year.

To encourage financing in Bangladesh to purchase American agricultural products, the US will provide credit guarantee under a scheme, said the US Department of Agriculture (USDA) in a seminar organised in cooperation with the Association of Bankers, Bangladesh (ABB) at the American Centre in Dhaka yesterday.

Bangladesh is one of the 130 countries eligible for the programme.

By reducing financial risk to lenders, credit guarantees encourage exports to importers in countries -- mainly developing countries -- that have sufficient financial strength to have foreign exchange available

for scheduled payments, the USDA said.

The programme will facilitate stronger agricultural trade with Bangladesh, said JoAnne Wagner, deputy chief of mission of the US embassy in Dhaka.

"Bangladesh is already a top export market for US agriculture and there is clear potential to expand our trading relationship even further to the benefit of both countries. This programme will help us do so."

The country is already the 13th largest market for US soybean and 6th largest market for US cotton, according to Wagner. In return, Bangladesh exports garment to the US, which is the sector's single biggest export destination.

"We think there is great room for cooperation between the two countries in the agricultural sector and the export credit guarantee programme is created to help us realise that kind of potential. This programme can reduce the financial risk associated with trading," she added.

The credit guarantee scheme benefits US companies, financial institution in importing countries and importers, said Maria R Dorsett, agricultural marketing specialist at the USDA.

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PALASH KHAN

People walk past Mohammad Munna Moral, who helps others to open bank accounts of Dutch-Bangla Bank. A university student, Moral opened around 300 accounts in the last six months. He will receive a portion of earnings of the accounts. The picture was taken from the footpath in front of Tejgaon Government Girls' High School in Dhaka yesterday.

A Chuadanga market just for patali gur

Date palm concentrate generating Tk 25cr seasonal sales

AMANUR AMAN, from Chuadanga

It's a distinct sugary sweetness hanging in the air that gives away what's in store at Sarojganj Haat. Sitting Fridays and Mondays year-round, the market is now bustling and bustling with activity from noon and into the night. Traders sit surrounded by thillas (clay pots) and dhamas (rattan baskets), all filled with a single product that draws thousands from far and near, much like bees to honey. It's the peak season for patali gur (molasses from date palm sap).

The market sits right at the centre of Chuadanga district, home to some 2.5 lakh date palm trees. Tapping for its sap is conducive only in winter, meaning the practice of heating the sweet drink to the sucrose concentrate goes on for just around three months.

A healthy tree generates around 12 kilograms of sap every season. The concentrate goes for Tk 80,000 to Tk 85,000 per tonne, which the Department of Agricultural Extension (DAE) believes enables seasonal sales of Tk 24 to Tk 25 crore at the market in Kutubpur union.



AMANUR AMAN

Sarojganj Haat sits Fridays and Mondays year-round in Chuadanga's Kutubpur union.

This year around 3,000 tonnes of the molasses are expected to be produced in the district, a 400-tonne increase from that last year.

This year the influx of buyers and traders has caused the market, the size of a football field, to spill over to an adjacent school's playground.

Customers go round scrutinising the molasses, available as a gooey liquid and in a more concentrated form of solid bars.

The thillas are in 10 kg and 15-16 kg capacities, going for Tk 800-850 and Tk 1,200 respectively while the solid molasses sell for Tk 120-130 per kilogramme. When both sides

settle on a price, the containers are taken to one side of the market and marked so as to make it easy to quickly find it later.

The flow of cash prompts people to purchase small household items at the market for family members back home. The mood is festive, made more enjoyable by vendors selling cakes made from the sap and molasses.

Mobarak Hossain of Sarojganj village was content with the market prices. A wholesaler, he had taken lease of 200 date palm trees this year. "Demand for Sarojganj's molasses is increasing every year," he said.

Ali Hossain Zilani came from Manikganj to make his annual purchases. He goes on to sell those in different markets in Dhaka. "Chuadanga molasses have good demand in Dhaka's market," he said.

Stating that Chuadanga's soil and weather are favourable for producing the molasses, Ali Hasan, deputy director of the DAE in Chuadanga, said they would boost production by encouraging plantations and ensuring hygiene.

New promise for stocks

Seven state-run firms to be brought into the market: finance minister

STAR BUSINESS REPORT

State-run companies will soon be brought into the stock market, said Finance Minister AHM Mustafa Kamal yesterday, in yet another promise from the government that has remained unmet over decades.

The minister, however, went on to say that "it wouldn't be done overnight."

Every company's balance sheet should be re-assessed because their current asset prices are not the same as ten years ago, Kamal said at a press briefing at the NEC auditorium in the capital.

"We have given the companies two months to complete their assessment and evaluation."

After assessing the assets, their share prices will be fixed, he said, adding that the companies can be audited by several firms so the process ends as soon as possible.

"Initially we target to offload 10-25 per cent shares of seven companies gradually."

The companies are: Titas Gas Transmission, Power Grid Company, North-West Power Generation, Electricity Generation Company of Bangladesh, Ashuganj Power Station Company, B-R Powergen, and Gas Transmission Company.

Though Titas Gas is already listed on the two bourses, it would offload more shares because the government owns 75 per cent stake in the company.

The government's promises to bring more state-run firms to the stock market

STATE-RUN COMPANIES TO BE LISTED

- Titas Gas Transmission
- Power Grid Company
- North-West Power Generation
- Electricity Generation Company of Bangladesh
- Ashuganj Power Station Company
- B-R Powergen
- Gas Transmission Company

date back to at least 2010 when the finance ministry had selected 26 companies and instructed them to offload shares in the next six months.

The deadline was extended several times but the instructions never materialise even though stocks investors have long been crying for quality shares and stakeholders urging the government to offload its shares in companies to prop up the market.

The current finance minister came up with the latest promise as the stock market has been on a downward curve for at least three-four months mainly due to a fund crisis in the banking sector and a lack of corporate governance in companies.

Investors, especially the small ones, remain on edge as stocks keep plumbing new depths just about every day.

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