

STOCKS		COMMODITIES		As of Friday		ASIAN MARKETS				CURRENCIES		STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	BUY TK	SELL TK
▼ 0.72%	▼ 0.97%	\$1,642.40	\$58.50			Closed	▼ 0.39%	▼ 0.55%	▲ 0.31%	83.95	90.20	108.21	11.79	84.95	94.00
4,698.89	8,726.39	(per ounce)	(per barrel)				23,386.74	3,181.03	3,039.67						





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# BUSINESS

DHAKA MONDAY FEBRUARY 24, 2020, FALGUN 11, 1426 BS [starbusiness@thedailystar.net](mailto:starbusiness@thedailystar.net)

## Relief for GP at last after it pays Tk 1,000cr

STAR BUSINESS REPORT

Grameenphone yesterday deposited Tk 1,000 crore to the state coffers as per the Supreme Court's order on Thursday, bringing to an end its years-long tussle with the telecom regulator over unpaid dues.

The Bangladesh Telecommunication Regulatory Commission (BTRC) has claimed Tk 12,579.96 crore from the operator in revenue shares, taxes and late fees -- a figure Grameenphone maintains is not correct.

The deposit though should not be seen an admission of liability, Grameenphone said in a statement yesterday.

"It is our ambition to resolve the audit dispute, either through an amicable and transparent solution or before the courts," said Hossain Sadat, director and head of regulatory affairs of Grameenphone.

With the view to cranking up the pressure on Grameenphone to get it to pay the sum, the telecom regulator has put a host of restrictions including declining no-objection certificates since July, issuing show-cause notice for licence cancellation, and denying recycling of number series along with the threat of appointing an administrator for its day-to-day running.

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## Ctg region's economic zones to get five jetties

*Project to cost Tk 1,923cr*

JAGARAN CHAKMA

Five jetties and necessary infrastructure will be set up in the economic zones in the country's south-eastern part to ensure comfortable and safe movement of people as well as tourism and landing facilities.

The Bangladesh Inland Water Transport Authority (BIWTA) will implement the project involving about Tk 1,923 crore in cooperation with the Bangladesh Economic Zones Authority (Beza) between July 2020 and June 2023.

The government will provide the fund and the Beza will come up with land to implement the project, according to the project proposal.

The jetties will provide infrastructure facilities to carry the rising volume of goods and items for local people in Chittagong and Cox's Bazar and they will contribute to the economic development, Paban Chowdhury, executive chairman of the Beza, told The Daily Star.

The agency has urged the BIWTA to establish the jetties in the zones.

The proposal has been sent to the shipping ministry seeking consent. Later, it will be sent to the planning commission for approval, said a source at the BIWTA.

The jetties will help expand tourism activities and attract foreign and domestic tourists through modern landing facilities, Chowdhury said.

They will also help expand economic activities by spurring water-borne transport businesses and generate jobs.

Local farmers and small businessmen will be able to transport their products within a short time and at lower costs, he said.

The planned jetties will be built on Sandwip channel on the banks of the Naf river in Teknaf and in Maheshkhali island.

The Mirsarai Economic Zone, which is located on the bank of Sandwip channel, will be the industrial hub where hundreds of thousands of workers will work, according to the Beza executive chairman.

They will move between the zone and Sandwip island and adjacent areas. So,

jetties will be required for their smooth movement, he said.

At Subrang-Jaliar Dwip in Teknaf and Sonadia island in Cox's Bazar, eco-tourism parks are being set up with a view to attracting thousands of tourists every day in the future.

Under the project, the BIWTA will dredge 3.67 lakh cubic metres of area for safe berthing of water vessels and acquire 25.86 lakh acres of land.

It will construct 75,480 square feet in jetty space, 8,485 square metre in parking yard, 24,000 square metre access road, and 4,000 metre embankment to save river banks.

The BIWTA will construct the 23,488 square metre port complex.

The construction of several economic zones is going on in Mirsarai and Cox's Bazar region.

An expert team of the Bangladesh University of Engineering and Technology has prepared the design for jetties and yards and carried out the feasibility study.

which is seen in abundance and used by people irrespective of ages and gender in European cities like Copenhagen, comes at a time when Dhaka is termed as one of worst cities

for air pollution.

And encouraged by the spiralling demand for the two-wheeler, Omar Faruk, owner of Babul Cycle Store in Dhaka's Farmgate, started selling

bicycles in 2015 apart from providing repairing and maintenance services to cyclists.

Babul Cycle Store now sells roughly 20 bicycles a day, which is double the

number it could sell five years ago, according to Faruk.

"Once people were purchasing cycles as a hobby. Now, many people are buying bicycles to commute to work and do other tasks to avoid traffic jams," he added.

Mohammad Jewel Mia, who works as a mason in a construction firms, is one of such person.

He has been using bicycles for the last two and half years to go to the construction site at Banani from his residence at Mohammadpur.

"This is very helpful. It saves me Tk 85 as bus and rickshaw fares on each way," he said.

Imported bicycles from China account for 60-70 per cent of the domestic market, according to sellers. Yet, manufacturers said locally manufactured cycles are becoming popular as these are also adorned in the European markets.

"People are buying bicycles for various purposes. We see great promise," said Md Luthful Bari, secretary of the Bangladesh Bicycle & Parts Manufacturers' and Exporters Association (BBPMEA).

Both Abedin and Bari urged the government for support to facilitate expansion of domestic manufacturing and bicycle markets.

READ MORE ON B3

## A congested Dhaka driving cycle sales

SOHEL PARVEZ

Bicycle has been the preferred mode of transport for Kazi Rokibul Haque for a good few years now.

At first the 35-year-old took to the two-wheeler as a form of exercise given his sedentary lifestyle.

But as he started riding it he found that it was a quicker mode of transport in the congested Dhaka city than cars: he could easily dodge traffic and reach his office on time.

"It saves both time and money. Before I start for office I take a look at Google Maps and decide what to use today: cycle or car," said Haque, who works at an apparel buying house in Uttara.

His commute strategy encouraged six more of his colleagues to buy two-wheelers.

Like Haque and his colleagues, an increasing number of people are signing up for cycling and thus buoying the market for the environment-friendly vehicle.

"The overall demand is definitely growing," said Joynul Abedin, chief operating officer of RFL Bike Industry, which makes and markets Duranta bicycle for both the Bangladesh and European markets.

Today, the value of the domestic bicycle market is Tk 1,200 crore and

it is growing at 7-8 per cent annually, according to an estimate of RFL Bike, a concern of PRAN-RFL Group.

More people in urban areas are showing interest in using bicycles as people are progressively becoming more health conscious.

"This is also good for the environment and a good vehicle for short distance commuting," Abedin said, adding that the entry of food delivery services like HungryNaki, foodpanda, Uber Eats also added to the demand for bicycles.

Marketers and sellers said the bicycle market has been growing over the last decade thanks to improvements in the quality of roads, health consciousness, growing traffic jam in Dhaka and environmental awareness among a section of youth and mid-aged people.

The relatively lower price of bicycle than motorcycles is another factor propelling the demand for the non-motorised vehicle, which costs between Tk 8,000 and Tk 20,000 each in general.

"The use of trendy bicycle with options like gear changing is increasing in urban areas," said Abedin, adding that two lakh bicycles are sold in the domestic market in a month.

The expansion of the two-wheeler,





CITY BANK

NITOLNILOY

01	Ministry/Division	Ministry of Health and Family Welfare.						
02	Agency	Upazila Health Complex, Moheshkhali, Cox's Bazar.						
03	Procuring entity district	Cox's Bazar.						
04	Procurement method	Open Tendering Method (OTM).						
05	Tender name	Procurement of MSR in the fiscal year 2019-2020.						
06	Budget and source of funds	Revenue, Development and GOB.						
07	Name of group	Description	Price of tender schedule (only each, non-refundable)	Tender earnest money amounts (refundable)				
	A	Medicine	750/- (Taka seven hundred fifty only)	50,000/- ( Tk. fifty thousand only)				
	B	MSR Instruments	750/- (Taka seven hundred fifty only)	50,000/- ( Tk. fifty thousand only)				
	C	Chemical, Re-agent, X-ray film	750/- (Taka seven hundred fifty only)	25,000/- Tk. twenty-five thousand only)				
	D	Gauge, Bandage, Cotton	750/- (Taka seven hundred fifty only)	25,000/- ( Tk. twenty-five thousand only)				
	E	Linen goods	750/- (Taka seven hundred fifty only)	25,000/- ( Tk. twenty-five thousand only)				
	F	Furniture	750/- (Taka seven hundred fifty only)	25,000/- ( Tk. twenty-five thousand only)				
08	Name and addresses of the office							
	a) Tender schedule selling place	Upazila Health Complex, Moheshkhali, Cox's Bazar.						
	b) Tender schedule receiving place	1. Upazila Health Complex, Moheshkhali, Cox's Bazar.						
	c) Tender schedule opening place	Upazila Health Complex, Moheshkhali, Cox's Bazar.						
09	Tender schedule selling date		Tender booklets will be sold from the date of 27-02-2020 to 07-03-2020 during the office hour. No tender booklet would be sold after schedule date and time.					
10	Tender dropping and closing date and time		15-03-2020 at 12:00 noon.					
11	Tender opening date and time		15-03-2020 at 12:30pm.					
12	Description of terms and conditions		Detailed description in tender booklet.					
13	Description of goods & related services		Detailed description in tender booklet.					
<b>PROCURING ENTITY DETAILS</b>								
14	Name of procuring entity		Dr Mohammad Mahfuzul Haque.					
15	Designation of procuring entity		UH&FPO					
16	Address of procuring entity		Upazila Health Complex, Moheshkhali, Cox's Bazar.					
17	Contact details of official tenders		Phone:					
<p><b>Note:</b> a) Price of tender schedule would be paid by Treasury Challan into the Code No: 1-2711-0000-2366 for the Upazila Health &amp; Family Planning Officer, Moheshkhali, Cox's Bazar by The Sonali Bank, Moheshkhali Branch.</p> <p>b) If the date of Selling, Receiving and Opening of tender is disturbed under any unavoidable circumstances, the next working day will be applicable for the same respectively.</p> <p>c) Corrigendum if necessary in future will be a part of this notice. The competent authority reserves the right to accept or reject any or all tender without assigning any reason whatsoever.</p>								
<p style="text-align: right;"><b>Dr Mohammad Mahfuzul Haque</b> UH&amp;FPO Upazila Health Complex Moheshkhali, Cox's Bazar</p>								

GD-338

**AFP, Riyadh**

China has said it will not be sending any leaders from Beijing for the Riyadh gathering, chaired by the kingdom's finance minister Mohammed al-Jadaan and central bank governor Ahmed al-Kholify.



## StanChart onto \$75b project financing for SDGs

STAR BUSINESS DESK

Standard Chartered yesterday committed project financing worth \$75 billion by 2024 for Sustainable Development Goals.

Of it, \$40 billion will go towards infrastructure projects promoting sustainable development.

The remaining is for merger and acquisition advisory and debt structuring services for renewables and clean tech projects such as those centring solar and wind.

In a statement yesterday the bank also committed to “net zero” carbon emissions from its operations by 2030 by only sourcing energy from renewable sources and continuing to pursue energy efficiency measures.

The bank has offices in “60 countries, including many large emerging markets”.

Tracey McDermott, group head of corporate affairs, brand and marketing,

said, “Over the past 18 months, we have made a series of commitments which are all geared towards supporting the Paris agreement on climate change and the transition to a cleaner, greener, fairer economy.”

“We know that the investment required cannot be provided by governments and NGOs alone, so it is critical that investors embrace the Sustainable Development Goals at pace and scale,” he added.

Judy Hsu, regional CEO for Standard Chartered Bank in Asean and South Asia, said “The United Nations estimates that emerging markets face a \$2.5 trillion annual investment gap in meeting the SDGs.”

“This is a big challenge and a significant opportunity for banks and the private sector to step up.”

“By tapping on our global network and local capabilities, we hope to catalyse SDG financing and provide sustainable finance to areas where it matters the most.”

## Weeklong SME fair begins in Pirojpur

OUR CORRESPONDENT, Pirojpur

A weeklong regional fair began in Pirojpur yesterday to promote the products of local small and medium enterprises.

Abu Ali M Sazzad Hossain, deputy commissioner of the district, opened the fair on the premises of Pirojpur Government High School.

Over 50 stalls of different companies are showcasing their products such as jute goods, handicrafts, electrical and electronics, light engineering and IT.

The fair will remain open for visitors from 10am to 8pm every day.



DBL CERAMICS

Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, opens the third line of DBL Ceramics' factory during the company's annual business conference at Radisson Blu Dhaka Water Garden on Saturday. ASM Aminur Rahman, chief architect of housing and public works ministry, and Abdul Wahed, chairman of DBL Group, were present. The new line increased production capacity of the company's factory in Gazipur to 35,000 square metre tiles per day.

## UK digital bank serves clients shunned by big lenders

AFP, London

Among Britain's digital app-based banks that are attracting moneyed urban millennials is Monese, which also courts customers neglected by the country's established lenders.

In early 2000, Estonia-born entrepreneur Norris Koppel arrived in Britain and spotted a major gap in UK banking for newly-arrived foreigners who had trouble opening traditional accounts.

Koppel was snubbed by banks owing to a lack of address documents and no credit history -- and vowed to help those in a similar predicament.

In the nation's booming financial technology or fintech sector, mobile phone app-based “neo-banks” such as Revolut, Monzo and Starling

have established themselves as plucky upstarts.

Koppel's lender Monese joined them, expanding to 31 nations in Europe with two million customers in only five years of operation.

“Investor trust in Fintechs and the amount of investment being poured into neo-banks is actually very significant; it hasn't really slowed down. 2019 was definitely a peak point so let's see how 2020 goes,” Koppel told AFP.

“It's very clear that banking is going through fundamental changes .. and there are a group of neo-banks including Monese who are on top of that wave.” The company describes itself as an electronic money institution that provides banking facilities -- but it does not currently offer credit.

“Monese was born from my own very personal frustration,” Koppel explained.

“When I moved to the country I couldn't open a simple account and I thought maybe that is something that can be done.

“Monese is built for people who are moving to a different country, starting a new life, finding a better job, retiring, going for studies, or getting married somewhere else,” he added.

In Britain, around 80 per cent of Monese customers are foreigners whose salary goes directly into their account.

Groups like Monese that only operate online carry out checks to verify the identity of new applicants to help fight money laundering.

The app aims to compete with Revolut and Monzo, which have eight million and three million customers respectively in a fiercely competitive market.

## The ECB wants to talk to you about inflation. But will it listen?

REUTERS, Frankfurt/Riyadh

For many people, the language of European Central Bank policymakers is so impenetrable, it could be beamed from another planet.

Now, however, the ECB experts are in for a dose of real life as they meet audiences ranging from students to clergy this year to get their views on inflation and feedback on the central bank's work, six officials told Reuters.



Christine Lagarde

The series of events, called “ECB Listens” after a similar initiative by the Federal Reserve, illustrates a marked change in style under new President Christine Lagarde, a former politician with a penchant for public relations. Just last October her predecessor, then President Mario Draghi, had expressed his reservations about communicating with the public at large rather than finance aficionados.

“One has to be cautious about that because as soon as you change your audience, you change your language and you naturally step into a different realm: the realm of politics,” he said.

The change of tack could also be an indication of the quandary the euro zone's central bank finds itself over the adequacy

of the inflation data used to justify trillions of euros worth of monetary stimulus to support Europe's economy.

Surveys show households in the euro zone perceive inflation to be far higher than official data. Some ECB policymakers suspect this is because the data does not factor in changes in the price of homes occupied by their owners - a key measure of financial health for millions of people.

An ECB spokesman declined to comment.

The ECB will kick off proceedings, part of a year-long strategic review, with an event in Brussels on March 26, according to the sources who are on or close to the ECB's Governing Council. Each of the euro zone's 19 national central banks has been asked to hold at least one such meeting by the summer, they said.

The ECB is unlikely to make any communication about the outcome of its review, which could see it redefine its inflation target, until well after the end of the public consultations, the officials added.

This would dash the hopes of some policymakers, including Slovak central bank governor Peter Kazimir, who have said they would like to see the ECB's revised inflation target published early, in time for its annual forum in Sintra, Portugal starting on June 29.

“It would look pretty awful if we put out substantial communication on the review in June because that would mean we are not taking the feedback seriously,” said one of the sources, who all spoke on condition of anonymity because the ECB's deliberations are private.

The public meetings will see small entrepreneurs, academics, students, pensioners and even priests invited to give ECB policymakers a piece of their mind on inflation as well as other topics ranging from climate change to digital currencies.

## Relief for GP at last after it pays Tk 1,000cr

FROM PAGE B1

“Grameenphone looks forward to resuming normal business operations, so that we are allowed to best serve our customers again,” said Sadat, who handed over a pay order of Tk 1,000 crore to Md. Jahirul Haque, chairman of the BTRC, at the latter's office.

With this, the BTRC at last realised some money from the operator against its audit claims. The audit looked into Grameenphone's books from its inception until 2014.

Grameenphone followed the lead of Robi, the country's second largest mobile operator, which was also locked in a similar tussle with the telecom watchdog over unpaid dues amounting to Tk 867.23 crore after audit. The matter was taken to court as well.

The High Court on January 5 ordered Robi to pay Tk 138 crore in five instalments against the BTRC's claim. The operator has already paid the first of the five instalments of Tk 27.60 crore on January 10, after which the restrictions on it were lifted by the telecom regulator.

The Norwegian Telenor Group's subsidiary's move to pay comes after it was raked over the

coal on Thursday by the Appellate Division of the Supreme Court.

“First pay Tk 1,000 crore to the Bangladesh Telecommunication Regulatory Commission and then come on February 24 for further orders,” said Chief Justice Syed Mahmud Hossain, who led the seven-member of the SC's Appellate Division, while passing the order.

The order came in response to a review petition filed by Grameenphone earlier on January 26 to allow it to pay Tk 575 crore in twelve equal instalments.

The review petition was filed after the apex court had directed Grameenphone on November 24 last year to pay Tk 2,000 crore to the BTRC within three months (by February 23) against the claim of Tk 12,579.96 crore.

Legal counsellors of the both the parties said the court will hear the petition today and will give its final order.

The BTRC chairman thanked the operator for complying with the court's order.

Grameenphone is the largest listed company in the country's capital market and its regulatory tussle over the best part of the last 12 months

dented investor confidence.

The news of the operator putting to bed its regulatory problems has led to its stock soaring 7.58 per cent yesterday to Tk 318.

International Leasing Securities said in its daily market analysis that the bourse witnessed massive buying pressure in the telecom sector from the opening of the session that continued until the closure -- riding on Grameenphone's good news.

Robi's announcement of its possible initial public offering also fuelled stock investors to buy Grameenphone's stocks, said a top official of a leading merchant bank.

However, Robi gave two conditions for listing and the operator is lobbying with the government for them: lowering of corporate tax by at least percentage points and a minimum income tax of 0.75 per cent as opposed to 2 per cent for listed telecom companies.

If the government agrees with the conditions then Grameenphone also will benefit and hence the clamour for its stock yesterday, he said.

Grameenphone topped the turnover list yesterday with its transactions of Tk 47.02 crore.



PUBALI BANK

Md Abdul Halim Chowdhury, managing director of Pubali Bank, opens the bank's renovated branch in the capital's Shantinagar recently.

## ‘Bangladesh is currently where Indonesia and the Philippines were four years ago’

FROM PAGE B4

In the US, students start learning about entrepreneurship in school. As a result, they become creative and the number of innovators is much higher than in any other countries, he said. “This is not only the responsibility of the ICT sector. The education ministry also has a huge responsibility.”

Anis also praised the government for formulating standard rules and regulations for the venture capital industry. But it needs

to take steps to brand Bangladesh to global venture capital companies.

“The government can sell that to US venture capital firms such as Pegasus that are already in Bangladesh. The message will give confidence to other investors,” added Anis, who co-authored a book, Startup Kingdom, with Shameem Ahsan, an ICT entrepreneur and a former president of the Bangladesh Association of Software and Information Services.

## A congested Dhaka driving cycle sales

FROM PAGE B1

“This could be an alternative solution to traffic jam and saving the environment from pollution and reducing the use of fossil fuel,” said Bari, while calling for a separate lane on roads for bicycles.

The government should also reduce the corporate tax to make the prices of domestically manufactured cycles more competitive against the imported ones and in the export market, said Bari, also the director of operations of Meghna Group, another local manufacturer and exporter of bicycle.

Competitiveness of locally made bicycles is eroding in terms of prices against the imported ones as a section of the traders are bringing the two-wheeler in the completely knocked down (CKD) format and assembling them here, said Abedin of RFL.

Subsequently, he urged the revenue authority to discriminate between complete and painted and raw finished or unpainted components of bicycles to encourage domestic manufacturing.

But what will truly ramp up bicycle sales would be a good traffic management system to enable cyclists to move about safely.

“Once people deems it safe enough, they will jump in and get one themselves,” added the plucky cyclist Haque.

## Northern Jute halts production after account freeze

FROM PAGE B4

A year later, the EPS jumped to Tk 23.29, which sent Northern Jute back to the A category.

In the second quarter of this fiscal year, the company's EPS dropped to Tk 2.94, down from Tk 9.06 a year earlier.

Stock market analysts say PLFS's liquidation has had a huge toll on depositors, stock investors and many listed companies, all of whom parked their money in the non-banking financial institution.

“The sponsors and directors of PLFS should be punished,” said an analyst.

The NBFI's problems came to the surface in 2013-14, when some of its directors made off with Tk 570 crore by way of submitting fake documents, according to a central bank inspection report.

On June 27 last year, the finance ministry instructed the central bank to shutter the NBFI for its failure to improve its conditions, in a first for Bangladesh's financial sector.

The High Court also ordered freezing the bank accounts of nine former directors and two top officials over their alleged involvement in driving the NBFI into the ground.



JAMUNA BANK

Jamuna Bank Foundation Chairman Nur Mohammed, Directors Kanutosh Majumder and Md Belal Hossain and CEO Mirza Elias Uddin Ahmed open the bank's sub-branch at Haragram in Rajshahi.

### STOCKS SEE RED

The benchmark index of the DSE witnessed a correction in the last two consecutive days though Grameenphone jumped yesterday. Turnover, another important indicators of the DSE, fell too as investors want to see whether banks took the liquidity support from the Bangladesh Bank in order to invest in the stock market.

DSEX dropped to <b>4,698.89</b> points (fell <b>34.24</b> points, or <b>0.72%</b> )	Daily turnover down to Tk <b>668.45cr</b> (fell Tk <b>102.15cr</b> , or <b>13.26%</b> )
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TOP FIVE GAINERS	
Company	Gain (in %)
Orion Infusion	10
Sea Pearl	9.89
Usmania Glass	9.79
Grameenphone	7.57
United Airways	6.67

TOP FIVE LOSERS	
Company	Loss (in %)
Prime Insurance	22
Meghna Pet	9.90
ICB 3rd NRB	9.09
Northern Jute	8.74
Prime Finance First Mutual Fund	7.87

TOP SECTORAL CONTRIBUTION	
Sector	Change in Market cap (in % cr)
Mutual Funds	-3
Engineering	-2.7
Textiles	-1.6
General Insurance	-1.5
Fuel & Power	-1

TOP TURNOVER	
Company	Average daily turnover (in crore Tk)
Grameenphone	47.02
Orion Pharmaceuticals	21.42
SK Trims	19.11
Summit Power	17.59
Orion Infusion	16.96



# ‘Bangladesh is currently where Indonesia and the Philippines were four years ago’

*Says Silicon Valley venture capitalist Anis Uzzaman*

MUHAMMAD ZAHIDUL ISLAM

Silicon Valley-based venture capital firm Pegasus Tech Ventures plans to invest \$40 million in Bangladeshi startups within a few years as the fast expanding economy holds huge growth potential for budding entrepreneurs, said its top executive.

“We are committed to investing in Bangladesh’s startup ecosystem,” Anis Uzzaman, general partner and chief executive officer of Pegasus, told The Daily Star in an interview recently.

Pegasus Tech Ventures started its journey in Bangladesh in 2015 as Fenox Venture Capital. Later, it was renamed. It invested about \$10 million in the last three years in various local startups.

Located in California’s San Jose, Pegasus provides early stage and final round funding. With several multi-million dollar funds under management, it focuses its investment in IT, health IT, artificial intelligence, internet of things, robotics, big data, virtual reality, augmented reality, fintech and next generation technologies.

In Bangladesh, Pegasus has investments in online ticketing and ride-sharing platform Shohoz, online shopping platforms AjkerDeal and Bagdoo, online marketplace HandyMama, business process outsourcing company Digicon and online news platform priyo.com.

The firm is interested in investing in some other companies.

“If these companies do better, Pegasus will increase its investment in them.”

Pegasus has raised huge amounts of funds from investors across the globe and is exploring opportunities to invest, said the serial entrepreneur.

The company did not get the growth that it had anticipated in the market as there were some infrastructural challenges. “Our expectation was much higher than the speed at which the market is currently growing.”

But the CEO is not frustrated as challenges are being addressed.

“We are very positive about the Bangladesh



Anis Uzzaman

market and plan to invest continuously. We are considering invest \$30 million to \$40 million in the next three to four years.”

According to Anis, Bangladeshi youths are very smart and are aiming to build global companies. A good number of them have registered their firms in Singapore and this will ultimately help them raise funds from the international market.

Initially, there were challenges on payment systems. But those are gradually being addressed, Anis says.

People’s perception about e-commerce channel is also changing. Still, the market is lagging behind other countries when it comes to customer education, he said.

A Bangladeshi expatriate living in the US, Anis holds a bachelors degree in engineering from the Tokyo Institute of Technology in

Japan, a Masters degree in engineering from the Oklahoma State University in the US, and a PhD in computer engineering from the Tokyo Metropolitan University.

“Bangladesh has changed a lot and digital infrastructure is taking huge strides. Mobile communication has developed tremendously as internet speed and penetration grew. This is a very positive signal for the startup market.”

Anis is very optimistic that Bangladesh will grab a strong position in the digital commerce ranking.

Bangladesh’s strength lies in its strong economic growth. The economy has boomed over the years and it is reflected in various international indexes.

“This is very important to attract investors.”

In the past, Pegasus heavily invested in countries such as Indonesia and the

Philippines, drawn in by their tremendous economic growth. It made lucrative profit in the markets.

“Bangladesh is currently at the point where Indonesia and the Philippines were four years ago. This is an encouragement for investors like us. All the economic numbers of Bangladesh look very good. It can help bring in more investments to this market.”

The venture capital firm estimates that Bangladesh’s economy can maintain the current pace of expansion in the next few years.

“Pegasus will get good returns from its investments as the technology companies it is investing in will certainly clock the same rate of growth in line with the national economy. This is how it works -- everywhere.”

Thus far, it has invested \$100 million in about 45 startups in Indonesia, the Philippines, Malaysia, Vietnam, Singapore and Thailand.

PEGASUS TECH VENTURES IN BANGLADESH
▶ Set foot in the country in Dec’15
▶ Invested \$10m
▶ Poured money in:
• shohoz
• ajkerdeal
• bagdoo
• handyrama
• digicon
• priyo.com
▶ Plans to invest another \$30 m to \$40 m in next few years
▶ Organises Startup World Cup since 2016 and Bangladesh a key part of the competition

These countries started their journey in the startup market just a little before Bangladesh did and the governments of the Southeast Asian countries have prioritised innovation as their main driver for economic growth.

The countries have also launched joint initiatives on innovation, which is why investors who have invested in one country gradually move to the other counties as well.

So far, Bangladesh hasn’t been able to pull much investment, especially from venture capital, but Anis says the scenario can change.

During his visit to Bangladesh, he also received good response from the local business community, which showed interests to join hands with him in the venture capital industry.

Recently, Bangladesh has taken some initiatives and a lot of new startups are sprouting up. The startups are getting government funds and incubation support.

“This is a superb initiative. Other countries also did the same to be successful in digitalisation. It needs to continue in the coming years and this will help create a startup ecosystem in Bangladesh.”

“Once there are plenty of startups, investors will automatically flock to the market and change the investment numbers.”

Pegasus has so far invested in 170 companies across the globe.

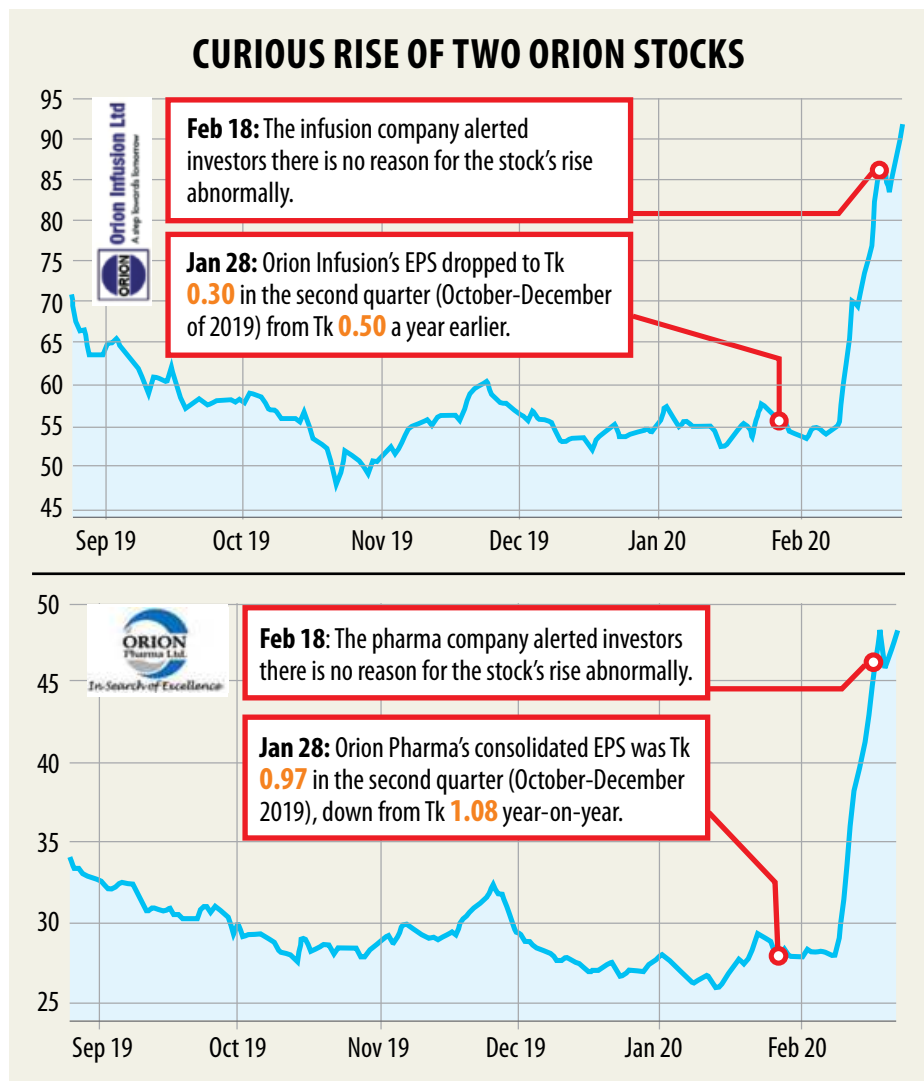
In order to build the startup ecosystem, Pegasus is also organising the Startup World Cup, which will link startups with the venture capital firms in Silicon Valley. Anis is the chairman of the global event. This year, 60 countries are going to contest after the country-level competition for the prize of \$1 million.

The Bangladesh round of this year’s competition wrapped up on February 8. Gaze Technologies was chosen the winner.

National champions will present their ideas before investors at a gala event on May 20 in Silicon Valley and get funds.

Anis recommended incorporating entrepreneurship in academic curriculum as it has been already included in other countries.

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## Northern Jute halts production after account freeze

STAR BUSINESS REPORT

Northern Jute Manufacturing Company’s factory at the BSCIC Industrial Estate in Kustia was closed after it failed to clear workers’ wages following bank account freeze by the central bank.

The decision to stop the production of the listed jute good producer caused its share to slide 8.74 per cent to Tk 421 on the Dhaka Stock Exchange (DSE) yesterday.

Northern Jute has previously informed investors through the DSE of the bar on its bank accounts as per a High Court order.

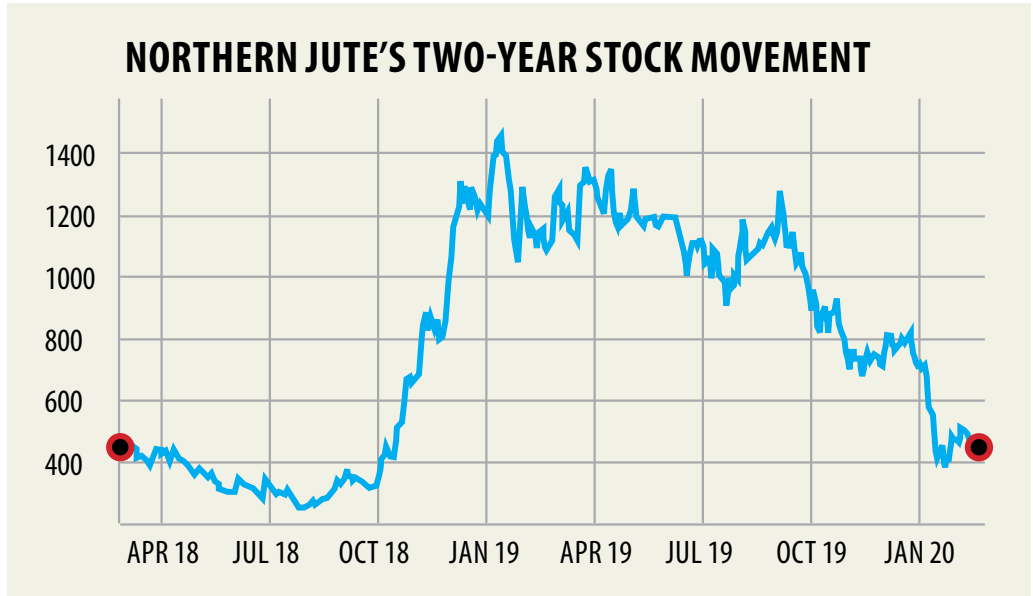
Since the chairman of Northern Jute, Uzzal Kumar Nandi, is also the chairman of People’s Leasing and Financial Services (PLFS), the decision to discontinue the production could be considered as a consequence of recent events.

PLFS has gone into liquidation since July 2019 due to its weak financial situation.

“But Northern Jute has no connection with PLFS,” said Shahadat Hossain Patwary, company secretary of Northern Jute.

Workers at the jute product factory are paid on a weekly basis and since all the bank accounts are frozen, operations had to be shut down, Patwary said.

The company could not realise any export proceeds. As such, it could not procure raw jute or make payments to spare part suppliers, according to the announcement of Northern



Jute.

Besides, the company could not disburse any cash dividend to shareholders although an adequate fund has been maintained, it added.

“Now, we will move to courts so that we are allowed to transact through our accounts. We hope to reactivate the accounts within February 25. Until then, the factory will remain shut,” he said.

According to data from the DSE, Northern Jute’s stock was unstable over the past two years due to earnings volatility.

By the end of June 2018, the company’s earnings per share (EPS) was Tk 17.15 in the negative and it provided no dividend that year. As a result, it was downgraded to Z category.

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## Wealthy turned to post office accounts after savings certificate rules shut them out

SOHEL PARVEZ and REJAUl KARIM BYRON

A section of well-off people have apparently made a mad dash for post office accounts right after the government tightened rules on investment in high interest-bearing national savings certificates.

Fixed deposits in Post Office Savings Bank soared 66 per cent year-on-year to Tk 11,730 crore in the first half of the fiscal year, according to data from the Bangladesh Post Office (BPO).

At the same time, investment in savings certificates sold by the post office plummeted 88 per cent to Tk 1,870 crore from Tk 15,870 crore.

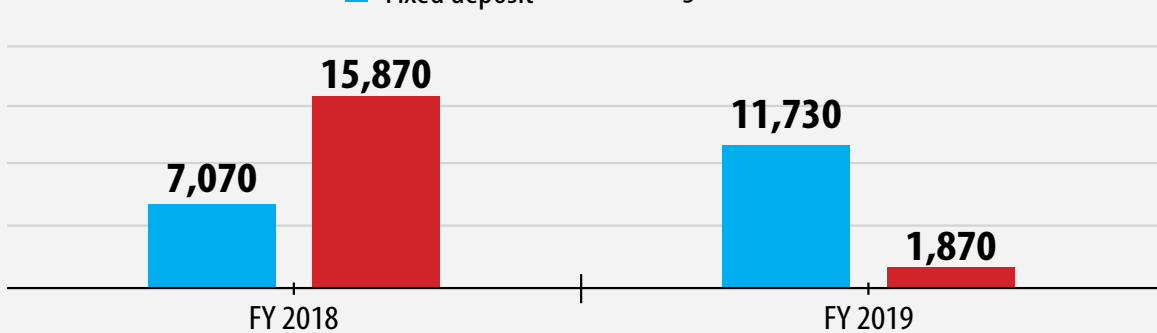
“This clearly shows that a section of the people have switched to fixed deposit accounts in the post office to avoid giving personal details that are required for purchasing national savings certificates,” said a senior BPO official seeking to remain unnamed.

### Deposits and investment in savings instruments in post office

Period: July-December

SOURCE: POST OFFICE

■ Fixed deposit ■ Savings instrument



The rules, which were tightened last year, stipulated that savers would have to submit their taxpayer identification number (TIN) for availing national savings certificates, whose interest

rates can reach as much as 11.76 per cent -- way higher than what banks offer.

Another rule stated that if the value of the national saving certificates went

over Tk 1 lakh, the payment had to be made using cheques of the buyer’s bank account.

This essentially reveals sources of large purchases, putting off

unscrupulous investors, who had previously been able to flout the individual purchase limit through cash payments.

The rules for the post office’s ordinary and three-year tenure fixed deposit accounts had remained unchanged up until February 12 this year, prompting depositors to switch to banks and post office accounts in the last couple of months, said officials.

The latest data on the deposits in banks are unavailable.

However, it grew threefold to Tk 28,710 crore in the July-September period of fiscal 2019-20 from a year earlier, finance ministry data showed.

The switch to post office accounts by affluent people prompted the government to cut the interest rates on the ordinary and fixed deposits to 5 and 6 per cent from 7.5 and 11.28 per cent respectively to discourage them from making deposits there, said a

finance ministry official.

The interest rates on national savings certificates issued by the Department of National Savings have remained unchanged at more than 11 per cent.

The sudden interest rate cut of the post office accounts led to an outcry from savers and drew criticism from various quarters, as the post office has over 50 lakh savings accounts, mostly owned by small and low-income groups with many of them being women and farmers in rural areas.

Following the reaction, Finance Minister AHM Mustafa Kamal said the government would revisit the interest rate cut considering the effect it had on small and marginal savers.

The finance ministry is exploring options, including the one on making the interest rate inversely proportional to the investment, meaning the higher the investment the lower will be the interest rate, officials said.