

Reliance Insurance approves 25pc cash dividend

STAR BUSINESS DESK

Reliance Insurance yesterday approved 25 per cent cash dividend for 2019 in its 32nd annual general meeting (AGM) held through a digital platform. The insurer's gross premium income was Tk 3,004.15 million during the year, up from Tk 2,689.26 million in the previous year. It earned pre-tax profit of Tk 849.76 million.

Habibullah Khan, vice chairman of the company, presided over the meeting, according to a statement. The AGM elected Md Habibur Rahman Mollah and Sabra Yasmin Chowdhury as new directors from among the public shareholders. The AGM was subsequently followed by a meeting of the board of directors on future directions. Zakia Rouf Chowdhury and

Shahnaz Rahman were unanimously elected chairman and vice chairman respectively. The other board members of the company are Shamsur Rahman, Habibullah Khan, Rajiv Prasad Shaha, Arshad Waliur Rahman, Imran Faiz Rahman, Iftekharul Huq, Samira Alam, Amiran Hossain, Srimati Shaha, Shahzreh Huq, Ahmed Shafi Choudhury, Azizur Rashid and Md Khaled Mamun (CEO).



Habibullah Khan, vice chairman of Reliance Insurance, presides over the insurer's 32nd annual general meeting yesterday. The company organised the event through a digital platform.

Pharma companies count their blessings as exports rise

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Beximco is in the third position with 8.5 per cent share, followed by Opsonin 5.6 per cent, Renata 5.1 per cent and Eskayef 4.5 per cent, data from the Bangladesh Association of Pharmaceutical Industries showed. Sanofi and Novo Nordisk also have a notable presence in the segment for specialised products. Bangladesh ships pharmaceutical products to 144 countries after meeting 98 per cent demand of the growing domestic market. "Foreign buyers are constantly visiting our factories to examine production quality and more often than not, they place orders before leaving," said Saha. Monjurul Alam, director for global business development at Beacon Pharmaceuticals, said that the company exports its products to 141 countries, including some in the EU. Demand has increased after Bangladesh's pharmaceutical industry became capable of producing advanced medicine such as bio-similar drugs, vaccines and oncology products as well as various medical apparatuses. Beacon ships oncology products to Sri Lanka, Nepal, Myanmar, Singapore, Malaysia and a few African nations, Alam said.

"However, export volumes are still low. So, we should grab the regulated market to increase shipment sizes," he added. Alam estimates that the sector has a domestic market value of about Tk 22,000 crore. In 2012, the local market size stood at around Tk 9,390 crore. By 2017, it doubled to Tk 18,755 crore, according to a report of the IMS Health Care. Prof Syed Modasser Ali, chairman of the Bangladesh Medical Research Council, said the pharmaceutical sector has huge potential for exports as local companies are rapidly adopting sophisticated technologies to ensure quality products. "The export of Bangladeshi medicine would increase more if the commerce, finance, and foreign affairs ministries cooperate proactively to expand its presence in the global market," he said. The economic or commercial councillors of Bangladesh embassies abroad should contribute in this regard, the former health adviser to the prime minister said. Local medicine consumption is increasing in line with the country's economic growth and growing awareness of treatments, he added. With a compound annual growth rate of 15.6 per cent, the sector is predicted to grow to \$5.11 billion by 2023, according to LightCastle Partners.

Dubai announces new coronavirus economic support worth over \$400m

REUTERS, Dubai
Dubai has announced a new package worth 1.5 billion dirhams (\$408 million) to help the economy cope with the effects of the coronavirus pandemic, the crown prince of the emirate, Hamdan Bin Mohammed Al-Maktoum, said on Twitter on Saturday. The package is the third announced by Dubai, the second-largest and second-wealthiest member of the United Arab Emirates federation. The three packages are worth a total of 6.3 billion dirhams, Sheikh Hamdan said. The latest intervention includes cancelling certain fines imposed by the government and the customs department, tax reimbursements to hotels and restaurants, financial guarantee refunds to the construction sector and exonerating private schools from licensing renewal fees. The Dubai support measures come on top of initiatives implemented at the federal level, especially by the UAE central bank, to ease financial and liquidity requirements on lenders and businesses. Abu Dhabi, the UAE capital and the largest and wealthiest member of the seven-member federation, has also introduced its own stimulus packages.

Drugmakers fuel Dhaka stocks' momentum

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The most traded company was Beximco Pharmaceuticals that exchanged shares worth Tk 17.53 crore, followed by Bangladesh Submarine Cables, Square Pharmaceuticals, Beacon Pharmaceuticals and ML Dyeing, according to the DSE data. Of the total 32 listed pharmaceuticals companies, 18 rose, 8 declined and 6 remained unchanged. Some big investors are pouring money into the market to take benefit of the lower prices, said a merchant banker. "Banks are yet to invest here. The market would be more vibrant if they start buying as they have a huge amount of funds," he said.

Some 14 banks formed a fund of Tk 1,650 crore to invest into the stock market by taking advantage of the central bank's special offer. Bangladesh Bank has allowed the banks to form funds of Tk 200 crore by borrowing from the central bank for around five years at a low interest rate. The funds of Tk 200 crore would not be accounted in the market exposure, meaning the limit on banks' investment in the market, according to the banking regulator. ML Dyeing topped the gainers' list with a 10 per cent gain followed by GQ Ball Pen Industries, Zeal Bangla, Hwa Well Textile and IT Consultants.

Walton compressors hit Turkish market

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"The initiative will pave the way for the expansion of our compressor market not only in Turkey but also across Europe as Turkey is being known as the business hub of Eurasia," said Kim. Walton is also working to produce a new series of compressors equipped with latest technologies, Islam said. "The commercial production of that

series will increase the present export volumes of Walton compressors by several times." Commerce Minister Tipu Munshi inaugurated Walton's compressor export through a virtual press conference, arranged by the local brand at its corporate headquarters in the capital. Walton now has presence in over 20 countries around the world.

Card spending halves in April

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Card transactions through POS, however, advanced to Tk 150 crore in June. Shirin went on to express the hope that card spending might regain previous levels by September. Due to the coronavirus outbreak,

earnings of 51 per cent of households plunged to zero while a massive 95 per cent of people suffered losses in income, according to a survey of Brac. Around 62 per cent of low-income wage earners lost their work opportunities after the public holiday was declared in late March, it showed.

India in talks with EU for trade deal, open to pact with UK

REUTERS, New Delhi

India has started trade talks with the European Union (EU) and is open to dialogue with the United Kingdom for a free trade agreement, the trade minister said on Saturday, as Asia's third largest economy looks for new markets for its products. Piyush Goyal said that India is open to engage with the UK for a preferential trade agreement with the ultimate goal of a free trade agreement. He is also in dialogue with the European Union's trade commissioner for a deal that could start with a preferential trade agreement. He added that the ultimate goal here too would be to have a free trade agreement. "We're talking to the EU and I am in dialogue with the EU trade commissioner. I am looking for an early harvest deal. Open to discussions on a variety of subjects. It's up to the UK and EU whoever picks up the gauntlet first," Goyal said. Negotiations for a comprehensive free trade

agreement between the EU and India were suspended in 2013 after six years of talks. India pulled out of the Regional Comprehensive Economic Partnership last year due to fears over China's access to its markets and is looking for new ways to boost its exports.

The country has also been raising trade barriers to block cheap imports from China and replace them with locally made goods for domestic consumption and exports.

"Apart from pharmaceuticals, we have textiles, handicrafts, leather, furniture, industrial machinery, toys are areas where India can engage with UK & EU at competitive prices," Goyal said.

India's economic growth has largely been driven by local consumption and successive governments have struggled to expand exports.

In the last six years Prime Minister Narendra Modi's government has been trying to push exports through various programmes like "Make in India" but with limited success.



India's Commerce and Industry Minister Piyush Goyal

Apple supplier Foxconn to invest \$1b in India

REUTERS, New Delhi/Taipei

Foxconn plans to invest up to \$1 billion to expand a factory in southern India where the Taiwanese contract manufacturer assembles Apple iPhones, two sources said. The move, the scale of which has not previously been reported, is part of a quiet and gradual production shift by Apple away from China as it navigates disruptions from a trade war between Beijing and Washington and the coronavirus crisis. "There's a strong request from Apple to its clients to move part of the iPhone production out of China," one of the sources with direct knowledge of the matter told Reuters. Foxconn said it does not comment on matters related to customers, while Apple did not respond to a request for comment. Foxconn's planned investment in the Sriperumbur plant, where Apple's

iPhone XR is made some 50 km west of Chennai, will take place over the course of three years, the second source said. Some of Apple's other iPhones models, made by Foxconn in China, will be made at the plant, said both sources, who declined to be identified as the talks are private and details have yet to be finalised. Taipei-headquartered Foxconn will add some 6,000 jobs at the Sriperumbur plant in Tamil Nadu state under the plan, one of the sources said. It also operates a separate plant in the southern Indian state of Andhra Pradesh, where it makes smartphones for China's Xiaomi Corp, among others. Foxconn Chairman Liu Young-way last month said it would ramp up its investment in India, without giving details. Apple accounts for about 1 per cent of smartphone sales in India, the world's second-biggest smartphone

market, where its pricey iPhones are often seen as a status symbol. Building more phones in India will also help Apple save on import taxes that further push up its prices. Apple assembles a few models through Taiwan's Wistron Corp in the southern tech hub of Bengaluru. Wistron is also set to open a new plant, where it plans to make more Apple devices, Reuters previously reported. "With India's labour cheaper compared with China, and the gradual expansion of its supplier base here, Apple will be able to use the country as an export hub," Neil Shah of Hong Kong-based tech researcher Counterpoint said. India is also working to boost electronics manufacturing by firms such as Foxconn and last month launched a \$6.65 billion plan, offering five global smartphone makers incentives to establish or expand domestic production.



BASHUNDHARA GROUP

Bashundhara Group Managing Director Sayem Sobhan Anvir hands over a cheque of Tk 5 lakh to the wife of a journalist who died of Covid-19, at an event in Dhaka yesterday. Family members of three journalists who died of the coronavirus received a total of Tk 15 lakh from the group. Bangladesh Pratidin Editor Naem Nizam and Kaler Katho Editor Imdadul Haq Milan were present.

BB needs to give virtual currency a thought: Palak

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Currently around 95 per cent of payments for online purchases in Bangladesh are made via cash-on-delivery, when the buyer receives the goods, they said. However, Covid-19 has led to a marked shift from cash to digital payments as consumers are adopting cashless and contactless modes of payment to avoid hygiene risks centring handling banknotes. "Cashless Pay" does not require a point of sale (POS) machine to complete the cashless transaction and allows consumers to make payments seamlessly, simply using their smartphones. Rahath Ahmed, chief marketing officer of Paperfly, described the new initiative while Syed Mohammad Kamal, country manager of Mastercard, also spoke. Humayun Kabir, executive director of Bangladesh Bank; Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services; and Shomi Kaiser, president of the e-Commerce Association of Bangladesh, were present.

Remove all investment barriers for faster economic recovery: experts

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Syed Nasim Manzur, managing director of Apex Footwear, said weaknesses in customs, logistics and foreign exchange create a colossal burden for both local and foreign investors and thereby warrant an immediate overhaul. Meanwhile, Kedar Lele, managing director and CEO of Unilever Bangladesh, suggested that Bangladesh should tap into more South Asian markets through intraregional trade and other investment prospects. Moreover, an overall reform of the country's regulatory framework followed by the introduction of consistent tax policies will significantly improve the business climate, said Grameenphone CEO Yasir Azman. Former industries secretary and National Board of Revenue (NBR) chairman Mosharrif Hossain Bhuiyan called for more regular and structured dialogues between the business community and various

regulatory bodies such as the NBR. Another former NBR chairman, Nasiruddin Ahmed, stressed the need to include the modernisation of the NBR and tax systems into long-term development strategies, such as the 8th five-year plan. BUILD Chairman Abul Kasem Khan said that Bangladesh needs to better exploit the huge potential of markets like China and India. During discussions, DCCL President Shams Mahmud shared some of the difficult experiences Italian investors in Bangladesh have had to bear, adding that regulatory bodies create numerous hurdles. Nahim Razzak, a member of the parliamentary standing committee on foreign affairs, hinted that the foreign affairs ministry recently formed a dedicated unit to support trade and investment initiatives. He too voiced his support for quick reforms and addressing the long-standing tax issues.

Waseqa Ayesha Khan MP, finance and planning secretary of the Awami League central committee, also agreed with the need for quick reforms to improve Bangladesh's ease of doing business ranking and branding. The government's bold stimulus packages and cheap labour in Bangladesh will help the country secure more private investment, said Bangladesh Economic Zones Authority's Executive Chairman Salahuddin Islam, adding that service delivery for investors needs to be streamlined as well. The government is moving ahead with its plans to implement reforms in the bankruptcy and customs act, said Sirazul Islam, executive chairman of Bangladesh Investment Development Authority. He also highlighted the fact that the line-agencies providing last-mile services to investors need to improve their IT skills.