ETBL Securities MD Rizwan elected DCCI president

Star Business Report

Rizwan Rahman

Rizwan Rahman, managing director of ETBL Securities & Exchange and a director of Eastland Insurance Company and daily Financial Express, has been elected president of the Dhaka Chamber of Commerce & Industry (DCCI) for 2021.

Holding different DCCI posts since 2006 on attaining higher education from the United Kingdom, he heads several segments of ETBL Holdings, which also has a presence in dredging infrastructure, commodities trade, cold storage and furniture.

Rahman also served as a director of the Bangladesh Chamber of Industries and Bangladesh Philippines Chamber of Commerce & Industry and as vice president of Dutch-Bangla Chamber of Commerce & Industry.

Meanwhile, NKA Mobin, managing director of Emerging Credit Rating and a board director of state-run Biman Bangladesh Airlines, was re-elected senior vice president.

A fellow member of the Institute of Chartered Accountants of Bangladesh and Institute of Chartered Secretaries Bangladesh, Mobin is also a board member at Bangladesh Submarine Cable Company, Mobil Jamuna Bangladesh and Shasha Denims.

Moreover, Monowar Hossain, proprietor of export-import firm Monowar Trading, was elected vice president.

The new board took charge at the DCCI's 59th annual general meeting yesterday, the chamber said in a statement.

The newly elected directors are Golam Zilani, Hossain A Sikder, Khairul Majid Mahmud, MA Rashid Shah Shamrat and Nasiruddin A Ferdous.

bKash tops students' list as 'employer of choice'

Nielsen conducted the survey in 16 universities

Star Business Desk

The country's largest mobile financial service provider bKash has emerged as the number one 'Employer of Choice' among 53 multinational and local companies across all sectors for the first time in the 2020 Campus Track Survey.

bKash has also been chosen as the 'Dream Employer' for the second year in a row with significant margin in both categories, the company said in a statement yesterday.

Final year BBA and MBA students of 2020 from selected top 16 universities in Bangladesh, including IBA of Dhaka University, IBA of Jahangirnagar University, Bangladesh University of Professionals, Rajshahi University, Khulna University, Chittagong University, North South University and Brac University, took part in the survey.

Nielsen, the globally reputed organisation specialised in research, conducted the survey.

The survey was carried out based on three parameters -- industry preference, job, salary and campus activities and aspirational factors.

In terms of campus recruitment index (CRI) across all organisations, bKash excelled in all parameters with its campus activities, students' preference, attractive salary range, work environment, growth opportunity and job security.

During the survey, the final year business school students mentioned mostly about multinational FMCG and financial technology or MFS sectors in terms of best career opportunity for employment; this was followed by banking and telecom sector.

In terms of CRI (across all industries), bKash appeared as top-of-the-list among all 53 multinational and local companies.

bKash was able to retain its first position as the 'Dream Company' due to goodwill of the company and good work environment. In "Best selection process" dimensions, bKash has also secured the top position.

In the survey, it was observed that top five important factors driving choice towards employers are: good reputation of the company in the market, learning opportunity, total salary package, independence and decision making scope at work and opportunities to work with and learn from in-house top talents.

bKash also offers management trainee (MT) programme in different universities and as per the survey, bKash MT programme became the best MT programme among all the companies. In addition, it arranges grooming and knowledge-sharing sessions for students on relevant topics. Along with these, bKash also provides paid internships where students go through an enriching learning experience on fintech by managing projects that have a direct impact on the business.

Eastern Bank appoints two new DMDs

Star Business Desk

M Khurshed Alam

MM Haikal Hashmi

MM Haikal Hashmi and M Khurshed Alam have been appointed deputy managing directors of Eastern Bank.

Hashmi was previously the deputy managing director, head of internal control and compliance and chief anti-money laundering compliance officer at IFIC Bank, where he had started his career as a management trainee.

He obtained a master's degree in banking and finance from Istituto Giordano Dell'amore, Italy.

Alam had previously served as deputy managing director for retail and SME at NRB Bank. He completed his MSS in public administration from the University of Dhaka and joined Eastern Bank as a management trainee.

After a trying year, cement makers bracing for slow recovery

FROM PAGE B1

Through this expansion, Bashundhara's daily production capacity will reach 25,000 tonnes.

Khandoker Kingshuk Hossain, chief marketing officer of Bashundhara Cement, told The Daily Star that the sector will shrink by about 3 per cent this year due lower consumption compared to last year.

The cement sector's market size reached 34.12 million tonnes in 2019 and it may come down to around 33.15 million tonnes this year.

"Business does not run equally every year as there are ups and downs. But this year was different due to the Covid-19 fallout," Hossain said.

The sector suffered an unprecedented collapse in demand between April-May, when the government declared a nationwide shutdown to curb the spread of Covid-19.

Sales started to bounce back to pre-pandemic levels from June-July.

"But it will still take time to return to full capacity as both government and private development works are yet to gain momentum," said Mohammad Shahidullah, first vice-president of the Bangladesh Cement Manufacturers Association (BCMA).

Regarding the overall situation, he said that aside from the coronavirus pandemic, repeated flooding has wreaked havoc on the country's construction projects and the cement sector is bearing the brunt.

Besides, manufacturers were unable to collect their dues from dealers and contractors as they too were devastated by the pandemic, added Shahidullah, also managing director of Metrocem Cement.

Cement makers often found themselves in a tight spot even before the pandemic began, when overproduction led to unhealthy competition.

Asadul Haque Sufiyan, chief operating officer of Bengal Cement, recently said that because of the pandemic, cement consumption will likely to come down to 7 per cent this year from the 12-15 per cent average growth it clocked for the last few years.

Sales increased slightly as mid-income people and expatriates started purchasing the key construction material but the government's purchase for development projects is yet to reach expected levels, he added.

The sector's confidence is still intact largely due to steadily growing demand in a country where the per capita cement consumption is very low. There are 37 active cement factories in Bangladesh and more than Tk 30,000 crore has been invested in the industry.

Manufacturers have a combined annual production capacity of 58 million tonnes against a local demand of 33 million tonnes. In the 1990s, Bangladesh used to meet 95 per cent of its total demand for cement through import but the requirement is now met entirely by the local industry, where annual sales have reached $3 billion, according to the BCMA.

Of this consumption, individuals account for 25 per cent, real estate companies and developers 30 per cent and the public sector 45 per cent.

The industry employs 60,000 people directly and another one million indirectly.

Delivery Hero gets $4b Woowa deal approval, must sell South Korean unit

Reuters, *Seoul/Munich*

Germany's Delivery Hero will sell South Korean food delivery app Yogiyo as part of the conditions for regulatory approval of its $4 billion takeover of top South Korean food delivery app owner Woowa Brothers.

The sale clears a major hurdle for Delivery Hero in gaining the dominant position in the world's third-largest online food delivery market, as competition heats up amid accelerated demand triggered by the coronavirus pandemic. Delivery Hero agreed last year to buy Woowa in a buyout that throws it a lifeline in an intensely competitive market.

Shares in Delivery Hero rose 3.6 per cent after its statement accepting the decision, and adding in a regulatory filing that it expected to close the deal in the first quarter of next year.

"We are deeply saddened by the required condition to divest Delivery Hero's subsidiary," Chief Executive and co-founder Niklas Östberg said in the statement, while welcoming the regulatory approval.

"We... will work hard to ensure that this transition is as smooth as possible for all impacted employees."

On Monday, the Korea Fair Trade Commission (KFTC) had said it would approve the takeover on condition that Delivery Hero sold its entire stake in No. 2 food delivery app Yogiyo within six months, with the possibility of an extension.

The sale would ease concerns that diners would end up paying more under the current deal, while allowing the synergy that Delivery Hero cited as the reason for the acquisition, said KFTC chief Joh Sung-wook.

"Delivery Hero said the purpose of this deal is to combine its logistics technology and Woowa's marketing ability, and I think this is sufficiently possible," she told a briefing.

KFTC said the combined market share of the entity resulting from the takeover, if the unit was not sold, would have been 97 per cent of food delivery transactions by July.

Even without Yogiyo, Woowa's No.1 app had about 15.8 million monthly active users by November, or 82 per cent of all food delivery apps' monthly active users in South Korea, says mobile big data platform IGAWorks.

South Korea ranks third in the food delivery market after China and the United States, Euromonitor data showed, and is expected to grow 40% this year to about $15.4 billion.

Highlighting the growing market competition is the rapid spread in the Seoul region of Coupang Eats, a rival service by SoftBank-backed e-commerce firm Coupang launched in April 2019.

Berger awards six young painters

Star Business Report

Berger Paints Bangladesh has awarded six young painters under the Berger Young Painters' Art Competition (BYPAC) this year.

Berger handed over prize money, crests and certificates among the winners at the silver jubilee round of the BYPAC programme held at Berger Bhaban in the city's Uttara on December 28.

The leading paint manufacturer organises the programme every year with the objective to encourage the promising artists of the country.

"BYPAC established itself as a platform for talented artists and has given them the opportunity to attain nationwide recognition for their brilliant works of art," Rupali Chowdhury, managing director of Berger Paints Bangladesh, said while addressing the event.

She expressed her gratitude to the artist community of Bangladesh, who have supported and facilitated BYPAC every year.

Chowdhury said: "There have been some marvellous submissions this year. I have been truly inspired by the display of talent by the young artists. Given the increasing number of submissions and participating artists in the competition since 1996, this competition has proven its role in uplifting the creative development of Bangladesh's youth."

Professor Nisar Hossain, dean of the fine arts faculty of Dhaka University and chairman of 25th BYPAC Jury Committee, praised all who are associated with the competition for making it a success amidst the ongoing pandemic.

Jayatu Chakma, secured first position in this year's competition with his painting titled 'Lockdown', Sumiya Mehernaz Joya and Rumana Rahman secured second and third positions respectively.

Md Rafiqul Islam, Saiyad Saif Ali and Shahed Hossain were the rest three of the top six painters.

A total of 772 paintings were submitted and 392 of them took part in the competition.

The jury board also consisted noted artists Sheikh Afzal Hossain, Asmita Alam Shammy, Ahmed Shamsuddoha, Kanak Chanpa Chakma and Mohammad Iqbal Ali.

The winners will get chance to take part in an art workshop at Rabindra Bharati University in Kolkata.

Stocks edging up amid yearend optimism

FROM PAGE B1

In the past few weeks, Beximco Pharmaceuticals and Square Pharmaceuticals reigned supreme in the list of gainers and turnover as their stocks were higher in demand.

Another source of hope was the arrival of some new companies in the past few months, including Robi Axiata, which in turn renewed investor confidence, added the stock broker.

Turnover, an important indicator of the market, rose 2.74 per cent to Tk 1,383 crore yesterday.

Eastern Cables topped the gainers' list rising 9.99 per cent followed by Dominage Steel Building Systems, Crystal Insurance, Intraco Refueling Station and Robi Axiata.

Beximco saw its stocks being traded the most, worth Tk 133 crore, followed by Beximco Pharmaceuticals, IFIC Bank, LankaBangla Finance and BD Finance.

GQ Ball Pen shed the most, losing 7.39 per cent, followed by Eastern Lubricants Blenders and Vanguard AML BD Finance Mutual Fund One.

In turn, banking stocks fell yesterday as investors are apprehending a downing of profits, and subsequently the asset quality, once the year ends for the pandemic, said a stock broker.

Of the listed 30 banking stocks, 26 fell and four remained the same, shows the DSE data.

The fall of banking stocks, along with most of the mutual funds, had somewhat an impact on the index, he said.

Meanwhile, the port city bourse also witnessed a rise. The benchmark index of Chittagong Stock Exchange, the CSCX, rose 40.31 points, or 0.43 per cent, to stand at 9,332.

Of 285 companies to witness trade of their stocks, 106 rose, 117 fell and 62 remained unchanged.

Stimulus funds hardly reaching farmers

FROM PAGE B1

As per the central bank rules, the affected clients of banks can receive an additional 20 per cent of their existing credit ceiling under the scheme.

In case of new borrowers, banks will fix the credit ceiling through scrutiny. Loans taken under the scheme cannot be used to adjust the old credit of the clients.

The tenure for the loans will be 18 months, including a grace period of six months at both banks and clients' ends.

Banks will borrow from the refinancing scheme at 1 per cent interest rate, which they will lend at 4 per cent.

India's financial sector faces challenging times ahead: RBI

Reuters, *Mumbai*

India's financial sector should brace for challenging times ahead with an increased risk of deterioration in asset quality and lower demand for loans, the Reserve Bank of India (RBI) said in a report on Tuesday.

The central bank has introduced various measures to support the banking sector including a relaxation in recognition and provisions for bad loans to protect lenders and creditors during the coronavirus pandemic. The roll back of these measures could now hit the books of banks.

"The challenge is to rewind various relaxations in a timely manner, reining in loan impairment and adequate capital infusion

for a healthy banking sector," the central bank said it in its annual report on Trends and Progress of Banking in India.

FBCCI pushes for extending loan moratorium

FROM PAGE B1

The moratorium on bank loans was introduced in the middle of March after the pandemic arrived on the shores of the country and began hammering economic activities for the following three months.

The support was expected to last until the end of June. Later it was extended up to September as the health crisis showed no signs of abating.

On September 28, the central bank extended the moratorium up to this ongoing month of December.

This has helped bring down non-performing loans (NPLs) in the banking sector in the third quarter (July-September) of this year.

The NPLs stood at Tk 94,440 crore as of September, down 1.74 per cent from that three months earlier and 18.73 per cent year-on-year, showed data from the central bank.

Although this moratorium facility adversely impacted the loan recovery of banks, it caused their net profits to go up significantly, since it massively decreased the amount of provision needed to be kept against the NPLs.

As per the banking rules, lenders are allowed to transfer the interest of the loans, which is yet to be realised, to their income books.

This caused the net profit to become enlarged, soaring 33.60 per cent year-on-year to Tk 2,424 crore in the first half of 2020.

Such interest is treated as an accrued interest in banking norms. Banks are allowed to show the accrued interest as income, but such amounts have to be treated as an interest in suspense if loans become defaulted.

Against this backdrop, the central bank asked banks to set aside an additional amount of around Tk 10,000 crore in provisioning to absorb shocks arising from the ongoing financial crisis.

Lenders must keep an extra 1 per cent provision than what they now maintain for all types of unclassified loans, according to a central bank notice issued on December 10.

"We had requested the central bank in September to extend the moratorium until March next year. The latest request is for extension of the support considering the ongoing economic situation," Sheikh Fazle Fahim, president of the FBCCI, told The Daily Star.

The apex trade body of the country has not requested waiving loans or interest but rather to extend the support for another six months, he said.

Both proposals of the platforms are illogical, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

The wholesale moratorium facility cannot be expected further as this will worsen the financial health of banks, he said.

"Banks can offer the moratorium on a case-to-case basis to certain borrowers with prior approval from the central bank," said Mansur, also chairman of Brac Bank.

Salehuddin Ahmed, a former governor of the central bank, echoed him.

Although the second wave of the Covid-19 has already started, borrowers should not be allowed to enjoy the moratorium further, he said.

"We have to run the businesses to keep pace with the deadly flu. Financial health of banks will face deep trouble in case there is a stretching of the deferral support once again," Ahmed said.

The Daily Star also talked to five managing directors of banks, all of whom opposed the FBCCI proposal, reasoning that such an extension would create a roadblock to the gearing up of a cash flow from their borrowers. However, none of them wanted to go on record due to the sensitivity of the matter.

Mansur and Ahmed said the directive on keeping an additional 1 per cent provisioning against all unclassified loans should be strictly enforced by the central bank.

Banks will have to face more difficulties in the days ahead compared to what was in existing times due to the aftershock stemming from any financial meltdown, they said.

If the provision base in banks is strengthened, they will be able to tackle the situation smoothly.

The BAB, however, in its letter claimed that most banks would face "a very negligible or negative profit after tax" if they were to keep the provision.

"Such in a situation, shareholders, international partners, other stakeholders will lose their trust on banks' risk assessment procedures and also on publicly available profitability information," it said.

In addition, the negative outcome of the financial results will cause a deterioration of the credit rating of banks and overall cost of borrowing by banks will increase due to the higher charged imposed by corresponding international banks, said the BAB.

The five managing directors, however, supported the BAB proposal.

Govt lowers first-year GDP growth target

FROM PAGE B1

However, International Monetary Fund in its latest World Economic Outlook published in October, projected that the country's GDP growth may stand at 7.3 per cent in fiscal 2024-25.

But the government remains very optimistic about the growth plan and seems unfazed by the prospect of the delayed recovery anticipated by its development partners.

"The development partners have said that the recovery will be prolonged but we don't expect that," M Shamsul Alam, a member of the General Economics Division and the main author of the plan, told The Daily Star yesterday.

"We think recovery will be swift and the economic growth would be according to our projection," he said.

"The government thinks that the economy will rebound because of our domestic demand. Hopefully, we will achieve all the goals we have set in the eighth plan," he added. The plan's implementation will require Tk 64,959.8 billion in FY21.

Of this amount, Tk 12,301.2 billion (18.9 per cent) would come from the public sector and Tk 52,656.6 billion (81.1 per cent) from the private sector.

Planning Minister MA Mannan said the private sector would invest following the policy of the government.

"The private sector will enjoy freedom but it will be within the government's policy," Mannan added.

Out of the estimated Tk 64,959.8 billion, Tk 57,483.9 billion (88.5 per cent) is scheduled to come from domestic sources and Tk 7,475.9 billion (11.5 per cent) from foreign sources.

Edible oil prices on the rise

FROM PAGE B1

Soybean oil price has risen from Tk 3,100 in several phases to Tk 4,200 per maund in the last four months. Similarly, the price of palm oil has also increased from Tk 2,950 to Tk 3,650 per maund, he said. The prices went up almost every week for a shortage, he added.

Most of the country's demand for soybean oil is met through imports from Brazil and Argentina where production has declined due to the pandemic, said Nasir Uddin Chowdhury, director of the TK Group of Industries.

"The export-import chains are yet to normalise due to the coronavirus situation."

On the other hand, large countries, including China, are stockpiling edible oil amid the potential threat of a second wave of the virus in the winter, which could once again fuel the prices, he told The Daily Star.