



Planning Minister MA Mannan launches Khamari, a project of Brac Bank in partnership with Phoenix Insurance and Adorsho Pranishaba for cattle farmers, through a digital platform recently. Selim RF Hussain, CEO of BRAC Bank; Md Jamirul Islam, CEO of Phoenix Insurance, and Fida Haq, CEO of Adorsho Pranishaba, were present.

NRB Global Bank turns Global Islami Bank

STAR BUSINESS DESK

NRB Global Bank is switching into full-fledged Shariah-based Islami banking operations starting this year.

As a part of it, the fourth generation bank adopted "Global Islami Bank" as its new nomenclature. Its services begin today.

A press release says the bank has been "able to achieve the trust of all its customers" by rendering conventional banking service with "great experience", for which it is now switching to a Shariah-based service of "banking with faith".

Earlier, with Bangladesh Bank's approval, the bank finalised preparations for the conversion in the past few weeks. Launched in 2013, the bank now has 80 branches, 25 sub-branches and 78 ATM booths.

Kashmir seeks \$4b in investments

REUTERS, New Delhi

India's federal territory of Jammu and Kashmir plans to attract investments worth up to \$4 billion in the next two to three years and would provide security to businesses setting up shop in the insurgency-hit region, its chief said on Saturday.

Jammu and Kashmir (J&K) was India's only Muslim-majority state until August 2019, when Prime Minister Narendra Modi carved out a Buddhist-dominated enclave and designated both as federally-administered territories.

Tens of thousands of security forces guard the region where India has been fighting an armed-insurgency for decades, especially in the disputed Kashmir valley that is also claimed by Pakistan.



Islami Bank Bangladesh gets new MD

STAR BUSINESS DESK

Islami Bank Bangladesh has recently promoted its additional managing director, Mohammed Monirul Molla, to the post of managing director and chief executive officer.

Molla started his career at the bank as a probationary officer in 1986, according to a statement.

As deputy managing director, he was head of international banking and retail investment wings.

Molla also served as head of the corporate investment wing, investment (credit) committee, credit risk management committee and committee for recruitment and promotion.

He attained honours and master's degrees in economics from the University of Chittagong.



DBH appoints new MD

STAR BUSINESS DESK

Delta Brac Housing Finance Corporation (DBH) is said to have promoted its deputy managing director and acting managing director of recent months, Nasimul Baten, to the post of managing director and CEO, with effect from this new year.

Nasim attained his honours and master's degrees from the Institute of Business Administration of the University of Dhaka.



Ala Uddin Ahmad general manager of MetLife Bangladesh

STAR BUSINESS DESK

MetLife has announced appointing Muhammad Ala Uddin Ahmad as general manager of its Bangladesh business effective from the start of this new year.

He succeeds Syed Hamdul Karim, who retired in December 2020 after a distinguished 33-year career with MetLife.

A fellow chartered accountant, Ahmad has more than 21 years experience in life insurance.

He has held a variety of senior country and regional leadership roles in MetLife including chief financial officer for South Asia, general manager for Nepal, head of strategy, business planning and transformation for MetLife's joint venture in Malaysia - AmMetLife, and most recently, general manager for Hong Kong.

"Bangladesh remains a very important market for MetLife with substantial growth opportunities," said Elena Butarova, regional head of MetLife Bangladesh, Malaysia, Nepal and Vietnam.

"With his strong vision for the insurance industry, we are confident that Ala Ahmad will be able to continue driving the growth engine for MetLife and deliver exceptional value for our customers, financial associates, and people."

Recovery uneven

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The entrepreneurs have so far seen a recovery of about 30 per cent.

The association has 44 entrepreneurs as its members, and some of them had secured loans ranging from Tk 50,000 to Tk 100,000 from banks before the pandemic, she said.

Smita Chowdhury, another entrepreneur in Kamalganj who produces toys from jute for export markets, said she had been forced to squeeze her business drastically.

Some 50 workers used to work for Smita before the pandemic and the number has dwindled to 15.

The central bank initiated the stimulus package in April. Forty-six per cent of the fund was given out as of December 17.

Tapan Sengupta, deputy managing director of Bangladesh Steel Re-Rolling Mills (BSRM), said his company had recovered 80-85 per cent of the business compared to the pre-pandemic level.

"We hope for a full recovery within the next five to six months if the economy does not face any major setback," he said.

BSRM, one of the largest steel manufacturers in the country, has borrowed from the stimulus fund.

As much as 92 per cent of the Tk 33,000-crore package for the large industries and the service sectors was approved by lenders as of December 21.

The central bank later increased the fund size to Tk 40,000 crore to cater to the industries located in the economic zones, export processing zones and hi-tech parks.

Mohammed Amirul Haque, managing

director of Premier Cement Mills, which also borrowed funds under the package, said the company had seen an 80-90 per cent restoration of businesses in recent months riding on the increase in demand from the public sector.

Cement manufacturers have seen a recovery of 70-80 per cent, according to Haque.

A portion of the SMEs with strong links to banks have received loans.

The members of the Bangladesh Association of Software and Information Services (BASIS), a national trade body for software and IT-enabled services, secured loans smoothly compared to the entrepreneurs in other CMSMEs.

"This has helped the firms recover excellently," said Rashad Kabir, managing director of Dream71 Bangladesh, a software and mobile application developer.

Some banks have agreed to give loans to the firms without collateral, said Kabir, also a director of the BASIS.

"The country now faces a K-shaped recovery, which will not bring good for the economy at all," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Data on the recovery is not available, but it is predicted that the economy has recovered 70-80 per cent, he said.

"The recovery is not equal given the business performance of all sectors."

The central bank should extend the credit guarantee scheme to the SME sector such that small businesses can manage loans without collateral.

"The size of the ongoing stimulus package for the CMSME sector should expand considering the volume of their business," said Mansur, also the chairman of Brac Bank.

A large number of CMSMEs are unable to provide documents to banks, such as tax identification number (TIN) certificate and trade licence, said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

"The government should take initiatives to disburse loans through microfinance institutions."

Both the Palli Karma-Sahayak Foundation and the Microcredit Regulatory Authority can be involved to speed up the process, he said.

Nazneen Ahmed and Kazi Iqbal, senior research fellows at the Bangladesh Institute of Development Studies, echoed the same. NGOs can play an important role in giving loans to the CMSME sector under the supervision of the PKSF to reduce their economic losses, they said.

However, some small businesses got loans from banks, but the way it was disbursed was quite unfair, said two business leaders.

For instance, six to seven entrepreneurs in Saidpur of Nilphamari producing exportable jackets, t-shirts and cargo pants, have taken loans from the stimulus fund.

But banks disbursed the loans by adjusting their previous current credit (CC) accounts, said Md Akhtar Hossain Khan, an entrepreneur in Saidpur.

"This means the businesses got no cash

from banks. They, however, enjoyed some interest rate subsidy," said Khan, also the president of the Exportable Small Garment Owners Group.

There are around 250 entrepreneurs who have recovered around 35 per cent of their businesses, he said.

Under the stimulus package for the CMSME sector, the loans are being given at 9 per cent interest. Of the lending rate, 4 per cent will be borne by the borrowers and 5 per cent by the government.

Abdur Razzaque, president of the Bangladesh Engineering Industry Owners Association, said entrepreneurs in the sector had barely got finance from banks.

A few of the 5,000 members affiliated with the association borrowed under the stimulus package, but banks have adjusted the loans with their previous CC accounts, he said.

"Banks should not exercise this as clients will be deprived of a proper output from the fund to revive their business," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

The businesses in the agriculture sector have not managed adequate loans from the stimulus fund as well.

As of December 15, banks disbursed 56 per cent of Tk 5,000-crore stimulus package for the farming sector.

The implementation of the Export Development Fund has got momentum as Tk 9,248 crore has been distributed against the package amount of Tk 12,750 crore as of December 22. Large industries usually get credit support from the facility.

Digital wage pays off for workers: WB

FROM PAGE B1

On the other hand, individuals with higher levels of literacy, financial experience and prior control over household finances benefit by learning to use the technology more effectively and sidestepping common consumer protection risks.

"We additionally examine the impact of introducing financial technology at scale and find suggestive evidence of positive market externalities of consumer learning: inexperienced customers are less likely to face extra charges in areas with higher payroll account adoption," the WB said in its findings.

"We find that channelling wage payments into an account creates a strong incentive to engage with the account and learn about the features of the technology in a way that is not achieved by account opening alone," it added.

Channelling wage payments into

formal accounts is the obvious next step with potentially large positive implications for access to finance and consumer learning in low and middle-income countries, where wage payments are still predominantly made in cash.

However, the study also shed light on several barriers that could impede the adoption of payroll accounts.

First, employers may fear resistance from employees due to a lack of trust in the technology, as evinced by the study.

Second, an important barrier to scale-up may be insufficient documentation as the study found that many workers did not have sufficient documentation and had to rely on identification and guarantees provided by their employer to open an account.

Third, some employers may want to avoid the transparency that comes with payroll accounts and may

require nudges from regulators to adopt them.

Many workers from rural areas are drawn to the relatively high, regular salaries paid in the garment industry and aim to save a portion of their pay cheques.

However, owing to high account maintenance fees, minimum balance requirements, and documentation requirements, workers in the garment sector are usually unbanked.

"At the time of our intervention, even large firms in the sector still paid wages entirely in cash," the WB said.

Moreover, there are significant social barriers that prevent low-income households from active participation in the formal banking system.

Anecdotal, many workers reported not feeling comfortable using bank branches or mobile money agents, despite having clear savings goals, it added.

15 most loved brands honoured

FROM PAGE B1

At the event, Nazia Andaleeb Preema, director of BBF and president of Women in Leadership and founder of Bangladesh Creative Forum, delivered the welcome speech.

After that, Prashant Koller, leader for customised intelligence of Nielsen South Asia, gave a detailed speech to describe the methodology of Best Brand Award 2019.

This year's Best Brand Award kicked off shortly after the closing ceremony of "Brandfest - The Next Bangladesh", the country's largest brand and marketing festival, according to the statement. "As we are preparing to welcome 2021, I urge everyone to give their best at advancing their personal journey, but also actively play their individual role in taking the nation forward," said Salman F Rahman, lawmaker and prime minister's adviser on private sector and investment.

Alesha Mart launches e-commerce site

FROM PAGE B4

The e-commerce industry of Bangladesh is growing day by day," said Tipu Munshi, commerce minister, who attended the launch at a hotel in Dhaka.

"I hope Alesha Mart will meet the desired demand of online shoppers. I wish all the success for the future endeavour of Alesha Mart."

Mohibur Rahman Manik, a lawmaker; Sadia Chowdhury, managing director of Alesha Mart; Md Atiqur Rahman, CEO, were also present at the event.

Domestic cotton production may rise this year

FROM PAGE B1

In its latest report on the Cotton and Products Update on Bangladesh, the US Department of Agriculture (USDA) forecasted an increase in cotton production this year.

It said cotton was cultivated in 20-22 districts of Bangladesh, covering only 0.55 per cent of the total cultivable land of 81 lakh hectares.

"Domestically produced cotton accounts for approximately four per cent of total consumption," said the USDA in its report released at the end of last week.

Bandarban, Jhenaidah, Jashore and Rangamati are the major cotton producing areas. Cotton is mainly sown in the July-August period and harvested in between December and January, it added.

Titas Uddin, a farmer at Bagatpara upazila of the northern Natore district, said yields would be higher this year. However, overall cultivation in his locality had dropped as only four out of seven farmers have sown the seeds of cotton.

"We faced difficulty to sell our produce during the lockdown aimed at slowing the spread of coronavirus. This discouraged cultivation this season," he said.

Akhteruzzaman of the CDB said prices of cotton increased Tk 2,500 per maund this year from Tk 2,300 in the previous year.

"Cotton from domestic harvests are mainly used to make T-shirts for export markets," he said.

Mohammad Masum, chairman of the Supreme Seed Company, which markets hybrid cotton seeds among farmers, said rainfall during the sowing July-August period affects cultivation.

He said the CDB should take steps to train farmers so that seedlings were produced under sheds in order to be transplanted later.

"We have prospects but climate is the main barrier," he said, adding that cotton was a dry climate crop and its cultivation could be expanded to 200,000-250,000 hectares without affecting food crop and vegetable cultivation.

Cotton import grows despite pandemic

FROM PAGE B1

Through the first nine months of 2020, the value of cotton yarn imports was above 12 per cent at \$692 million compared to \$617 million in 2019.

China alone has exported over \$148 million worth of cotton yarn to Bangladesh the past calendar year and over \$225 million in 2019.

In a report, the BTMA said there were more than 433 spinning mills operating in Bangladesh in 2019 with a combined production capacity of 2.9 million tonnes of yarn per year.

Despite the large domestic spinning capacity, Bangladesh imported more than \$850 million worth of cotton yarn in 2019.

Bangladesh has import duties of 5 per cent for man-made fibre, 25 per cent for fabric, and 10 per cent for yarn.

While seemingly high, export-oriented garment factories can import yarn and fabric under a duty drawback incentive, which reimburses all customs duties paid on imported yarn and fabric, except taxes such as the VAT and advanced income tax.

The drawback incentive programme enables Bangladesh to go for large imports of cotton yarn and fabric from India and China.

Previous forecasts showed that the country's cotton consumption would drop sharply in the second half of MY2019-20 and continue to decline in MY2020-21 due to the Covid-19 fallout.

However, Bangladesh's cotton consumption, reflected by cotton imports and domestic demand for cotton yarn, has remained strong due to Asia's overall success in combating Covid-19.

Domestic consumption of apparel and textile products has been mildly impacted by the cancellation of large events like Pabela Baishakh, the first day of Bangla new year, and the Eid festivals that often promote clothing sales.

But overall, the negative impact of Covid-19 has been lower than forecast, the report said.

Kansai Nerolac eyes expansion in Bangladesh

FROM PAGE B1

Around 40 local and multinational companies are now in operation in the market, which has been witnessing an average growth of around 8 to 10 per cent in the last 10 years.

At present, the annual demand for paint stands at nearly 200,000 tonnes. The local market for decorative paint is not enormous but the future is good as consumption is increasing with economic development.

The market was mainly dominated by foreign companies as they had capital and distributed products among retailers on long-term credit, which was not a possible option for local companies.

The future of decorative painting is bright as the market has been increasing rapidly, which encouraged many foreign companies to invest in the sector.

Berger is the market leader in Bangladesh with a 55 per cent share. The other major local companies are Asian Paints, Roxy Paints, Elite Paint, Pailac Paints, Moonstar Paints, Ujala Paints and Al-Karim Paints & Chemicals.

Alkzonobel of the Netherlands, Nippon Paint of Japan and Jotun Paints of Norway are trying to grab a share of the market as well.



Dhaka Bank gets new AMD

STAR BUSINESS DESK

Dhaka Bank is recently said to have promoted its deputy managing director (international banking), Mohammad Abu Jafar, to the post of additional managing director (AMD).

Jafar had joined the position in 2015 and was earlier serving as senior executive vice president of National Bank, according to a statement.

He started his professional career at Uttara Bank as probationary officer in 1990 on obtaining honours and master's degrees in economics from the University of Chittagong.

Electric vehicle maker Tesla to deliver China-made Model Y SUVs this month

REUTERS, Beijing

Tesla Inc said on Friday it has started selling China-made Model Y sport-utility vehicles (SUV) and will deliver them to customers this month, as the US electric vehicle maker expands sales in the world's biggest car market.