

# Sonali Bank-bKash enable 2-way fund transfers

STAR BUSINESS DESK

Sonali Bank has recently partnered with bKash, enabling the largest state-owned commercial bank's 2.5 crore customers to conduct banking transactions through the mobile financial service provider's app.

Funds can now be moved both ways -- bank to bKash through "Add Money" option and bKash to bank through "Transfer Money" option, according to a statement.

"Digital financial services have empowered people to meet the challenges of Covid crisis. At the same time the importance and usefulness of MFS has become more vivid," said State Minister for ICT Zunaid Ahmed Palak.

Attending the partnership's inauguration at a hotel in the capital, he said, "Such a joint venture between the two largest public and private financial service providers has undoubtedly paved the way for ensuring digital financial services in every sphere of life and thus enhancing financial inclusion."

Md Ashadul Islam, senior secretary to Financial Institutions Division, Sonali Bank Chairman Ziaul Hasan Siddiqui and CEO Md Ataur Rahman Prodan and bKash CEO Kamal Quadir were present.



State Minister for ICT Zunaid Ahmed Palak attends the launch of a two-way fund transfer facility between Sonali Bank and bKash at a hotel in Dhaka recently.

## BUILD calls for concerted efforts to handle post-graduation challenges

STAR BUSINESS REPORT

Everyone should work in a coordinated manner to deal with the post-graduation challenges Bangladesh may face once it leaves the group of least-developed countries (LDCs), according to the Business Initiative Leading Development (BUILD).

After Bangladesh graduates in 2026, the country's export earnings could shrink by about \$7 billion as it will lose many of the trade benefits enjoyed by LDCs, including preferential market access to a number of major export destinations.

"We need to be prepared for that and start working in a coordinated manner to stave off the potential negative impacts," said BUILD Chief Executive Ferdaus Ara Begum in a press release.

She was speaking at a virtual event on "health safety for business continuity and trade facilitation during the pandemic", at the Dhaka Customs House.

The BUILD and the International Finance Corporation organised the event to inform service providers and service-seekers on how to maintain health safety measures while running their businesses even in the post Covid-19 era to mitigate export losses.

The Customs House Dhaka clears 3,000-4,000 bills of lading every day while minimising risks and ensuring quality so that Covid-19 exemptions are not abused, said Muhammed Mahbubur Rahman, additional commissioner of the Customs House.

A bill of lading is a title document, a receipt for shipped goods and a contract between a carrier and shipper.

The Customs House is working hard to maintain Bangladesh's trade growth, manage the supply chain and prevent revenue collection from falling, Rahman said.



Md Salim Uddin

## BHBFC chairman reappointed

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Md Salim Uddin has been reappointed director and chairman of Bangladesh House Building Finance Corporation (BHBFC) according to gazette of Financial Institutions Division, Ministry of Finance on 23 February.

He has been discharging duty as chairman of executive committee of Islami Bank Bangladesh.

Before joining BHBFC as chairman, he was an independent director of The Chittagong Stock Exchange.

Uddin is a fellow Chartered Accountant, fellow Cost and Management Accountant, and Certified Public Finance Accountant.

He obtained his honours degree in commerce and master's degree in accounting from the University of Chittagong.

## Warren Buffett's \$10b mistake: Precision Castparts

REUTERS

Warren Buffett makes mistakes too.

The 90-year-old billionaire on Saturday admitted he "paid too much" when his Berkshire Hathaway Inc spent \$32.1 billion in 2016 to buy aircraft and industrial parts maker Precision Castparts Corp, its largest acquisition.

Berkshire wrote off \$9.8 billion of Precision's value last August, as the coronavirus pandemic sapped demand for air travel and the Portland, Oregon-based unit's products.

In his annual letter to investors, Buffett said he bought "a fine company - the best in its business," and Berkshire was "lucky" to have Precision Chief Executive Mark Donegan still in charge. But Buffett said he was "simply too optimistic about PCC's normalized profit potential."

Precision shed more than 13,400 jobs, or 40 per cent of its workforce, in 2020, and only recently has begun to improve margins, Berkshire said.

## Record jute price forces 40 mills to shutter operations

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Raw jute prices crossed Tk 3,000 per maund in September amid stockpiling by middlemen and the slow release by farmers seeking to make a profit.

"No one had experienced such a price in the past," said Patwari.

The BJMA said the supply in the market had been low and the middlemen and stockists were taking advantage of the low yield and stockpiling the fibre to make higher profits.

"Despite having a lot of export orders, it is not possible to export due to a lack of raw jute," said Patwari.

Production stood at 55 lakh bales in the last season against the annual demand of 60 lakh bales from industries to make jute yarn, twine, sacks and bags, millers said.

The total requirement for raw jute, including household use and export is 73 lakh bales, meaning a shortage of 18 lakh bales.

The trade body demanded the government carry out drive through mobile courts to prevent illegal stockpiling, which is creating the crisis.

## Identify fallow lands for cultivation

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Razzaque went onto say that rice is a staple food in Bangladesh and that the country has become self-sufficient in food production.

"The production of vegetables, maize, wheat, potato and fruits has increased a lot and yet, people still consider rice production as a major indicator for the measurement of self-sufficiency in overall food production," he said.

"So, we have to give more importance to increase the production of rice."

The programme was moderated by Md Mesbahul Islam, senior secretary of the agriculture ministry.

## Low performers in top gainers' list

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Anwar Galvanizing topped the gainers' list rising 9.99 per cent followed by GQ Ball Pen Industries, Zeal Bangla Sugar Mills, eGeneration, and Savar Refractories.

Beximco topped the turnover list with trade worth Tk 131 crore, followed by Robi Axiata, British American Tobacco Bangladesh, Summit Power, and LankaBangla Finance.

Prime Finance shed the most, dropping 6.08 per cent, followed by Beximco, LankaBangla Finance, Golden Son, and United Insurance Company.

The port city bourse also fell yesterday. The CASPI, the general index of the Chittagong Stock Exchange, was down 46.80 points, or 0.29 per cent, to 15,603.

Among 229 stocks to witness trade, 75 rose, 80 dropped, and 74 remained the same.



Seven Rings Cement Director Tahmina Ahmed and cricketer Tamim Iqbal exchange documents after signing a deal recently making the national cricket team's captain for one day internationals its brand ambassador.



Akbar Ali, who captained the Bangladesh team to win the 2020 ICC Under-19 Cricket World Cup, poses with Nestlé officials on becoming the brand ambassador of brands MAGGI, NIDO and MILO.

## NBFIs ordered to ensure proper use of loans

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But, the central bank has reminded the NBFIs of the issues once again as it has recently unearthed a wide genre of irregularities at some institutions, he said.

The errant NBFIs have given out loans to fictitious companies, putting an adverse impact on them, he said.

Default loans will go down if NBFIs follow the instruction appropriately, said Islam, also the managing director of IPDC Finance.

The financial health of at least 10 NBFIs has been in dire straits due to financial scams in recent years.

For instance, Bangladesh Commerce Bank and Janata Bank are in a difficult situation to recover Tk 633 crore they deposited with six non-bank financial institutions.

Private lender BCB and state-run Janata kept the fund with Peoples Leasing & Financial Services, First Finance, FAS Finance & Investment, Bangladesh Industrial Finance Company, International Leasing and Financial Services, and Premier Leasing & Finance Ltd several years ago.

Although the funds have matured, the NBFIs are unable to return the

money to the banks.

Prashanta Kumar Halder and his associates embezzled a large amount of money from four NBFIs, creating a haphazard situation for the financial industry.

The Anti-Corruption Commission is looking into the matter.

The central bank applied to the High Court in 2019 to liquidate Peoples' Leasing and Financial Services (PLFS) after the board of the NBF had informed the BB that it was unable to pay back depositors.

PLFS is now in the process of liquidation.

## Govt targets \$150b remittance in 8th Five-Year Plan

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In regards to skills development, the ministry will establish one technical training centre in each upazila to provide potential migrants with long-term training.

The planning ministry, in association with the foreign affairs ministry and other relevant entities, will also pursue international accreditation and mutual recognition of skills from at least 20 countries by the end of the plan period.

Besides, it will develop a policy for skills classification for migration to replace the four traditional categories -- less skilled, semi-skilled, skilled, and professional -- with a new competency-based grading system.

The agenda on access to service

includes the introduction of a seamless one-stop service for potential migrants by integrating both physical and digital infrastructure.

This includes expanding the grievance management system so that it can be integrated with relevant institutions at home and abroad.

To ensure access to finance, the expatriate's welfare and employment ministry would work closely with Probashi Kallyan Bank (PKB) to remove all bottlenecks. This includes expanding the branch network and the number of agent banking outlets in each upazila.

PKB will also introduce the families of migrant workers to digital banking and a host of other products.

The government has introduced insurance services for migrant workers

and their families, and the access to finance agenda includes increasing the coverage and duration of those services.

During the plan period, the ministry will allocate resources to strengthen the institutional capacity to ensure the protection of rights and well-being of migrant workers, especially women.

Non-resident Bangladeshi specialists would be engaged to support new migrants facing troubles in destination countries in terms of legal protection and mental health.

The ministry will also launch a comprehensive programme in collaboration with the private sector to ensure mental health support during their stay abroad and after returning.

## Extended transition period to let address Covid-19

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Bhattacharya said now that the timeline of the LDC exit trajectory had been finalised, Bangladesh needed to draw up a robust transition strategy covering the upcoming five years and beyond.

"The strategy is needed to deal with the possible adverse fallouts of LDC graduation, but also lay out a pathway for graduation with a momentum. This should ensure a smooth and sustainable development prospect for the country," he said.

Two other essential criteria, namely inclusivity and good governance, have to be considered, said the noted economist.

Bangladesh is also pursuing a number of development approaches, including implementation of an Eighth Five-Year Plan, a Second Perspective Plan (2021-41), a Bangladesh Climate Change Strategy and Action Plan, and Delta Plan 2100.

"We should not forget in this regard the importance of delivering in Bangladesh the 2030 Agenda for Sustainable Development," Bhattacharya said.

With a view to ensuring inclusive development, underpinned by the growth of investment, employment and income, the building of productive capacity should be the fundamental and core priority in the Bangladesh context, he said.

"This would entail economic diversification, technological upgradation, and improvement of labour productivity. Focus on domestic market expansion and consolidation would be key in this regard."

The Sustainable Development Goals (SDGs) must be used as the

guiding framework for crafting a winning transition strategy for LDC graduation, he said.

Bangladesh had joined the LDC group in 1975. The country comfortably met all of the three graduation criteria in the first review in 2018 and then in a second this February. Bangladesh should not use coal-fired power plants and generate more clean and sustainable energy, said Bhattacharya.

The UN committee called on Bangladesh's development and trading partners to extend preferential market access and the exemptions under the WTO agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) for a reasonable period of time, to be negotiated at international levels and bilaterally with Bangladesh.

It urged the development partners to provide financial and technical support to Bangladesh to strengthen the health sector and tackle the impact of climate change, particularly measures to prevent destruction created by flooding.

LDC graduation, essentially, means acquiring a seal of global approval regarding its development achievements and enhanced confidence of the international financial actors regarding its markets.

The improved perception of the country-level market risks is expected to lead to a registered upgrade of the country's international credit rating. This will further lead to an augmented generation of investible resources, Bhattacharya said.

Post-graduation, countries have experienced enhanced domestic tax collection and a higher flow of foreign direct investment (FDI). Access to foreign aid may not diminish abruptly.

The LDC graduation would lead to relinquishing a wide variety of preferences and privileges and loss of market access preferences, particularly in the European and Canadian markets.

Bangladesh may experience a shortfall to the tune of 8-10 per cent of its gross export revenue due to loss of duty-free and quota-free provisions, amounting to about \$2.5 billion annually.

Bangladesh will continue to enjoy market access preference in the European Union (and the United Kingdom) for an extra three years, until 2031, he said.

The CPD distinguished fellow also talked about two special challenges facing Bangladesh.

The post-Covid-19 recovery plans and programmes have to be embedded in the transition strategy, and Rohingya maintenance and repatriation have to be addressed as well, he said.

The economist suggested putting in place a better coordinated and more resultative institutional outfit and mechanism at home, and revisit the role of the National Task Force, set up in January 2016, to monitor the implementation of the roadmap.

Coordination among ministries is needed alongside engagement of the private sector, non-government development organisations and knowledge actors, Bhattacharya said.

He also said the preparation of a coherent, cogent and wholesome transition strategy would need significant and forceful efforts. Real-time necessary data supply has to be strengthened, particularly for the CDP's special monitoring mechanism for graduating LDCs.