



Prime Bank's new MD

STAR BUSINESS DESK
Hassan O Rashid has recently joined Prime Bank as the managing director and chief executive officer. Prior to the joining, Rashid was the additional managing director of Eastern Bank, according to a statement. He started his career with Credit Agricole Indosuez. He also worked at HSBC and Standard Chartered in different senior leadership positions. Rashid is a graduate of Capital University of the USA in economics and business administration. He completed his master's degree in international management from Garvin School of Management, Thunderbird, the USA.

Govt takes Tk 438cr project

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Razzaque also suggested that BADC officials should play a strong role in producing and distributing seeds. "Our researchers and scientists have already developed many enhanced varieties and technologies for crops. These varieties need to be produced quickly and distributed at the farmer level," he said. The minister went on to say that Bangladesh has become self-sufficient in terms of food supply. "We are now working to produce safe and nutritious food." Razzaque also suggested that agricultural officials need to refrain from lobbying for transfers, particularly for the project director and deputy project director posts. "This is not desirable. I do not like people lobbying," he added.

Tk 5,883cr digital connectivity project on way

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"The project will make all government offices and institutions across the country digital," NM Zeal Alam, senior secretary to the ICT Division, told The Daily Star yesterday. Of the project's total cost, around 65 per cent, or Tk 3,378.5 crore, will come as a loan from the Chinese government while the rest Tk 2,505 crore will be funded from government sources. "In addition to financing, China will also provide some technical and consultancy assistance," he added. Besides, a 21-story tower will be built in the capital's Purbachal to house an academy featuring modern ICT labs and facilities to nourish IT entrepreneurs. The ICT department has already leased a three-bigha plot for the tower, which will create research opportunities for the fourth industrial revolution and human resource development, according to officials. A digital literacy centre with an ICT lab and other necessary infrastructure, including smart virtual classrooms and distance learning platforms, will also be established under the project. Besides, 10 digital villages, around 492 non-residential buildings and, for establishing a shared ICT operation centre, the building of 491 upazila complexes will be expanded upward by one story.

No overnight relief from losses

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According to the BSFIC, the sugar mills faced a loss of Tk 787.10 crore per year on average from 2015-16 to 2019-20 against sugarcane crushing. However, Carew & Co (Bangladesh) Ltd made Tk 8.85 crore profit per year in the last five years. In the previous fiscal year, the company made a profit of Tk 11.37 crore. Average production cost reached Tk 131.40 to Tk 319.34 per kg sugar from 2015-16 to 2019-20. The BSFIC sold it at Tk 52.78 to Tk 57.54 per kg. The loss was between Tk 78.86 and Tk 216.18 per kg. In December, Sanat Kumar Saha, then chairman of the BSFIC, said mill authorities collect sugarcane at Tk 4 per kg, but it was shown as Tk 7 per kg. The BSFIC detected the anomalies, he said. Saha said the BSFIC has the scope to reduce expenditure and increase revenue by setting up the outlets of Carew & Co (Bangladesh) Ltd at the district level to sell liquor and bio-fertilizer. The BSFIC earned Tk 120 crore from selling molasses last fiscal year, up from Tk

Boeing unveils order for troubled 737 MAX, shares jump

REUTERS

Boeing Co unveiled a new order for its 737 MAX on Friday, pushing its shares up 6 per cent as it renews efforts to recapture investor confidence following a two-year safety crisis.

The deal to sell 24 of the 737-8 model to a backer of Canadian low-cost carrier Flair Airlines comes after Reuters reported it was poised to win another, much larger deal with Southwest Airlines.

Shares in Boeing rose 6.2 per cent to \$267.86.

Boeing has been trying to rebuild its image with passengers and airlines following the nearly two-year grounding of the MAX after crashes in Indonesia and Ethiopia killed 346 people.

This week marked the second anniversary of the second accident, with a final investigative report expected any day.

Boeing said Miami-based private equity firm 777 Partners, which has a stake in Flair Airlines, agreed to buy 24 737-8 airplanes with an option to purchase a further 60.

Flair, which was recently relaunched by veterans of European budget giant Wizz Air, is now operating one plane for domestic flights. It said it would lease 13 of the 24



REUTERS/FILE

A Boeing 737 MAX airplane lands after a test flight at Boeing Field in Seattle, Washington.

aircraft from 777 Partners starting this year.

Reuters on Wednesday reported Boeing was on the verge of a deal to sell dozens of 737 MAX 7 jets to Southwest Airlines in potentially its largest 737 MAX order since the jet's safety ban was lifted.

Both deals would provide a much-needed injection of cash for the US planemaker, which ended last year with more than \$60 billion in debt and an historic loss of \$12 billion. The coronavirus pandemic has further

complicated the MAX's recovery by decimating demand for air travel and new jets.

Ultra low-cost carriers, or ULCCs, are seen as the winners of the COVID-19 crisis as they offer a no-frills experience at low prices.

They are pervasive in Europe's fragmented market, with Hungarian Wizz Air - a key Airbus customer - competing with the likes of Ireland's Ryanair, a top Boeing user like Southwest.

They have grown more slowly in North America.

In December, Alaska Airlines agreed in December to buy 23 737 MAX 9 jets and Ryanair ordered 75 jets.

At Southwest, Boeing was fending off a challenge from the newer Airbus A220, building on a position as the airline's exclusive supplier as Airbus struggles to reduce production costs for the Canadian-designed A220, industry sources said.

Analysts have described Southwest as a must-win for Boeing and crucial to its broader recovery.

Analysts caution it faces a list of other challenges, from production of its 787 Dreamliner to the delayed development of its 777X and financial overruns on a US Air Force tanker.



Md Amin Ullah

New top brass for frozen foods exporters' assoc

STAR BUSINESS DESK

Md Amin Ullah, managing director of Ark Sea Foods Ltd in Chattogram, has been elected as president of Bangladesh Frozen Foods Exporters Association (BFFEA) for 2021-22.

The association also elected M Khalilullah, managing director of Satkhira Foods Ltd in Khulna, as its senior vice president.

Ashraf Hossain Masud, managing director at Mashud Fish Processing and Ice Complex Ltd, became vice president for Chattogram and S Humayun Kabir, chairman and managing director of Amam Sea Food Ind Ltd, became vice president for Khulna.

The new directors are: Maqsoodur Rahman, A Jabbar Mollah, Ashim Kumar Barua, Md Rezaul Haque, Khondoker Aynul Islam, Md Tariqul Islam Zaheer, Shyamal Das, Dodul Kumar Datta, MA Hassan Panna, Mohammad Ali and Md Arzan Ali, according to a statement.

HSBC to phase out coal funding

AFP, London

HSBC bank on Thursday unveiled plans to phase out financing of the coal industry over the next two decades, bowing to shareholder pressure to do more to tackle global warming. "HSBC today announces it will propose a special resolution on climate change," the lender said in a statement. "The resolution will set out the next phase of HSBC's strategy to support its customers on the transition to net zero carbon emissions. "The plan, which will see HSBC reduce its exposure to fossil fuels, will be put to a vote at its upcoming annual general meeting on May 28.

Activist group ShareAction claimed victory after HSBC's board tabled a resolution that commits the company to phase out financing of coal-fired power and thermal coal mining by 2030 in the EU and OECD, and by 2040 elsewhere. ShareAction and other investors have now withdrawn their separate move. "HSBC's resolution will be the sole resolution on climate change at this year's AGM," the bank added on Thursday. "HSBC is pleased that ShareAction and a number of shareholders who had originally proposed a separate shareholder resolution on climate change, have agreed to withdraw this and support HSBC's resolution, following constructive and positive discussions based on a common goal of helping to build a net zero global economy.

BSEC looking into complaints raised over Padma Bank

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Moreover, the BSEC is going to hold roadshows in Switzerland and Germany in June to bring in more bonds to Bangladesh, he said.

Many major global business districts like Australia, Toronto and the UK have been urging the BSEC to hold such roadshows in those areas also, he said.

The current IT systems of the stock exchanges will be strengthened soon as they are not capable of handling big transactions that are needed in case of bonds, the commission's chairman said.

Regarding the forgery in the audit

report by a section of listed companies, he said the BSEC has been working with different regulatory bodies, including the National Board of Revenue and the Financial Reporting Council, for agreeing on accepting unified audit reports only.

Because many companies publish forged audit reports in connivance with a section of unscrupulous audit companies, which give false data on earnings per share, he said.

Currently, the government allows hedge fund for one year but it should be more than one year so that the local companies can purchase commodities

at cheaper rates to make a good business with the changes in global prices, he said.

Regarding the role of stock market on generating capital for industrialisation, he said the bourses should be the ground for making long-term financing, not banks.

It will not be viable for any bank in Bangladesh if it finances for a long time like for 10 years, but the banks are financing for 25 years or more, he said. Sharmeen Riny, president of the ERF, chaired the discussion moderated by SM Rashidul Islam, general secretary.

Sugarcane farmers suffer massive losses

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Ahmad Mosihur Rahman, general manager (production) of the BSFIC, said all nine remaining mills collectively produced around 44,459 tonnes of sugar as of March 10 by crushing 806,797 tonnes of sugarcane.

Last year, all 15 mills combined crushed 14.07 lakh tonnes of sugarcane.

"The recovery rate fell short this season compared to last year," he said.

Syed Md Abu Bakar, managing director of Joypurhat Sugar Mills, said that the unit had already crushed 84,000 tonnes of sugarcane from three districts to produce 4,270 tonnes of sugar.

The mill's recovery rate is around 5.14 per cent.

Bakar said that 25,671 tonnes of sugarcane were taken from Rangpur while it was 21,541 tonnes for Gaibandha and 37,587 tonnes for Joypurhat.

According to sources, the recovery rate was as good as expected, but it started falling when the supply of dried sugarcane from the catchment areas began to arrive.

The sugarcane dried in the fields due to late harvests, while there have been delays in transportation.

"It would take at least 10 days to take the sugarcane to the mills after harvesting, and obviously, the sugarcane dry up if left under an open sky," Bakar added.

The mill had aimed to produce 10,692 tonnes of sugar by crushing 1.62 lakh tonnes of sugarcane in the ongoing season.

"So, achieving this target has now become quite impractical," the managing director said.

The final weight of the sugarcane shrank almost to half as it dried up.

"It is not possible to reach the crushing target with such dried sugarcane," said another official of the Joypurhat Sugar Mills.

The situation is similar to Thakurgaon Sugar Mills Ltd.

The mill has aimed to crush at least 1.42 lakh tonnes of sugarcane this year. However, only half of the target has been achieved so far, said Md Shakhawat Hossain, managing director of Thakurgaon Sugar Mills.

As of now, the mill has crushed 93,880 tonnes of sugarcane to produce 4,820 tonnes of the finished product this season.

The mill's recovery rate was 5.21 per cent.

Hossain also said that the recovery rate dropped as the sugarcane had dried up. Besides, yields declined due to adverse weather conditions last year.

Such a perilous situation left the growers to face massive losses.

Zikrul Islam of Sundarban village under Dinajpur Sadar upazila cultivated sugarcane on five acres of land last year. Each year, he gets a moderately good yield, but things were different last season.

"My entire sugarcane harvest either got rotten or dried up due to the late harvest," Islam told The Daily Star, adding that he produced just 600 quintals of sugarcane this year.

One tonne equals to 10 quintals.

"I suffered Tk 4 lakh losses as a result," Islam added.

"I have lost everything and become penniless. I have no idea how I will recover from such a situation."

Last year, Islam produced 1,700 quintals of sugarcane on the same land.

The story is similar to many other sugarcane farmers in the district.

Anwar Hossain of Agra village suffered losses of around Tk 1 lakh after cultivating sugarcane on two acres of land.

Hamidur Rahman, general secretary of the Sugarcane Farmers Association in Dinajpur, said that at least 45,000 tonnes of sugarcane were grown in Dinajpur this season.

Of them, the sugar mill authorities procured around 80 per cent as of March 2.

"Not only the farmers but also the sugar mills are suffering losses," he said.

There are around 7,000 sugarcane farmers in Dinajpur, and all of them incurred losses to some extent, Rahman added.

Mehdi Hasan Sagar, general secretary of the Sugarcane Farmers Association in Rangpur, said that sugarcane grown on a total of 7,000 acres of land was pending harvest.

"Fifty per cent of this stock has already dried," said Sagar, who also suffered a Tk 50,000 loss due to the situation.

Many growers left their sugarcane unharvested as they had dried up. In many cases, villagers can be seen taking away these dried sugarcane to use as fuel, he added.

Following the significant losses incurred this

Capital machinery import yet to get momentum

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"The countries are the major export destination of Bangladesh. This has discouraged exporters from thinking of expanding businesses," said Ibrahim, also a vice-chairman of New Age Group, a manufacturer and exporter of woven and knit apparels.

He went on to express the hope that the import of the items would start rebounding from August to September, but the whole thing depends on how the pandemic is tackled.

The import of industrial raw materials went down 3.37 per cent year-on-year to \$9.27 billion in the first half of the fiscal year.

The import of the items had faced a slowdown of 3.27 per cent in the first half of FY20.

"The economy has been facing a slowdown for a long time, and the pandemic has exacerbated the situation," said Ibrahim, also a director of the Bangladesh Garment Manufacturers and Exporters Association.

Kazi Iqbal, a senior research fellow of the Bangladesh Institute of Development Studies, said businesses now import raw materials just to keep their existing operations up and running.

"The majority of them don't have any future plan to expand due to the ongoing uncertainty. The import trend of capital machinery is a sign of stagnation in the business sector," he said.

Nobody really knows when the situation would come under control. Only containing the pandemic will resolve the business slowdown, he said.

"So, the economy faces huge uncertainties. And the GDP growth will come under pressure," Iqbal said.

The import of intermediate goods, which mainly include clinker, pharmaceutical raw materials, raw cotton, and yarn, stood at \$2.50 billion in the first half of FY21, down 16 per cent from a year ago.

The import of the goods had posted a negative

growth of 12 per cent in the first half of the last fiscal year.

Emranul Huq, managing director of Dhaka Bank, said imports started an upward trend in January and February, but it may face trouble from the current month.

"We earlier hoped that the wheel of the economy would keep moving at full speed from June. But we are now afraid of the recent spread of infections. The latest pick-up in import will face a roadblock in the months to come," he said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, echoed the same.

Uncertainties are growing due to the latest wave of infections, which eroded the confidence of businesses, he said.

The lower imports of capital machinery, industrial raw materials and intermediate goods hit the overall import payments in July to December. Overall imports stood at \$25.03 billion, down 9.30 per cent year-on-year.