

Ensure best business practices for economic sustainability

Speakers say at ICAB webinar

STAR BUSINESS REPORT

The country's chartered accountants (CA) have called for more collaboration among entrepreneurs, industry regulatory bodies and banks so that businesses can take significant steps towards becoming instinctive enterprises.

Instinctive enterprises are businesses that continuously reinvent themselves to move faster than market demand and stay a step ahead of the competition.

The CAs stressed the need for local enterprises to use technology, best business practices, ensure fair competition, get closer to customers, and remain ethics-focused.

They made these comments during a webinar on "creating enterprise value by responsible business practices", organised by the Institute of Chartered Accountants of Bangladesh (ICAB) yesterday.

"Responsible business practices are crucial for business recovery while improving logistics performance could help accelerate recovery and improve our competitiveness in global markets," said Tapan Kanti Ghosh,

secretary to the commerce ministry.

He said the present government is very pragmatic in formulating rules and regulations and thinking about how best business practices can be ensured to harness the maximum benefits in business, trade, investment, and so on.

All the economic development indicators are pointing upward due to the government policies, Ghosh added.

Bangladesh's economy is showing emerging signs of recovery backed by a rebound in exports, strong remittance inflows, and the ongoing vaccination programme.

The commerce secretary also underscored the need to modernise the logistics system to ensure business continuity and build resilience.

Mahmudul Hasan Khusru, president of ICAB, said corporations cannot survive solely on the profit-making paradigm without taking welfare initiatives for the environment and people.

Emphasising on the need to implement inclusive business models, he said the benefits for businesses should go beyond immediate profits and higher incomes.

He also said CAs always suggest best corporate practices for long run sustainability of organisations in the national and global competitive market.

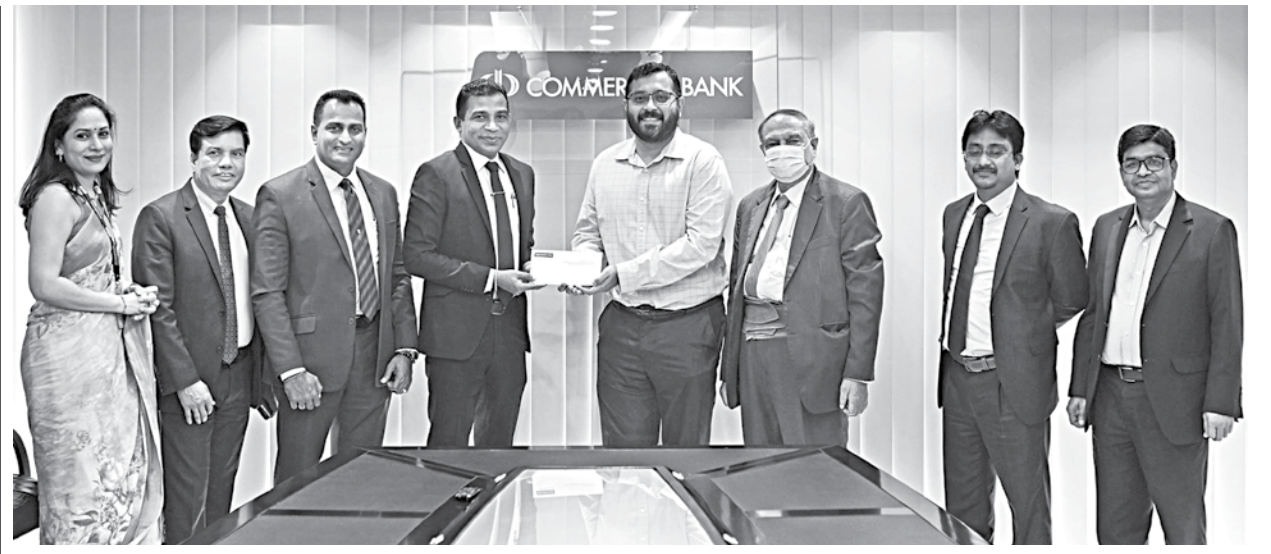
Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry (DCCI), echoed the same while also saying that ensuring profitability is required for business stability.

"Of course, customers and employees are the main driver of a business as without these stakeholders, no business can be sustained," he said.

M Ala Uddin Ahmad, chief executive officer of MetLife Bangladesh, said businesses cannot succeed without ensuring responsible business practices.

Responsible business focuses on the needs of all stakeholders, including customers, employees and the society, he added.

ICAB's council member and previous president, AF Nesaruddin, moderated the webinar while Md Zahidul Islam Malita, chief financial officer and finance director of Unilever Bangladesh, presented the keynote paper.



COMMERCIAL BANK OF CEYLON

Najith Meewanage, chief executive officer of Commercial Bank of Ceylon PLC, hands over a cheque to Imran Ahmed, deputy executive director of Shakti Foundation, recently. The bank has joined hands with the foundation to prevent the spread of Covid-19 among students and help the disadvantaged women for their livelihood as part of its corporate social responsibility initiative. Humaira Islam, executive director of Shakti Foundation, virtually attended the event.

US consumer spending rises solidly

REUTERS, Washington

US consumer spending increased solidly in September, but was partly flattered by higher prices, with inflation remaining hot as shortages of motor vehicles and other goods persisted amid global supply constraints.

Other data on Friday showed

employers boosting compensation by the most on record in the third quarter as they competed for scarce workers. The industry-wide surge in wages and benefits could undercut Federal Reserve Chair Jerome Powell's long-held view that high inflation is transitory.

The strength in consumer spending

at the end of last quarter and declining Covid-19 infections bode well for a pickup in economic activity in the final three months of the year after growth stumbled in the third quarter.

"The economy has a supply problem not a demand problem," said Christopher Rupkey, chief economist at FWD BOND in New York.

Biden to push G20 energy producing countries to boost production

REUTERS, Rome

US President Joe Biden on Saturday will urge major G20 energy producing countries with spare capacity to boost production to ensure a stronger global economic recovery, a senior administration official said ahead of a summit.

Biden and other leaders from the Group of 20 richest countries, meeting in Rome, are slated to discuss efforts to end the Covid-19 pandemic and are also expected to endorse an agreement on establishing a new global minimum corporate tax.

But members are divided on other issues. With oil and gas prices surging, some energy-producing countries such as Russia and Saudi Arabia have not boosted output enough to satisfy countries that are largely energy consumers and worry about energy shortages and inflation.

French President Emmanuel Macron echoed those concerns in an interview with the Financial Times, urging the summit to push for better "visibility and stability on prices" to avoid undermining the post-Covid-19 global economic recovery.

Biden's top advisers have voiced concerns about energy suppliers not boosting production enough to meet surging demand. Rocketing natural gas prices, with the European benchmark up almost 600 per cent this year, have been fuelled by low inventories and surging demand as economies recover.

Biden's national security adviser Jake Sullivan raised similar issues during a visit to Brussels this month, singling out Russia for its "history of using energy as a tool of coercion, as a political weapon."

Russia, a major natural gas supplier to Europe, and its energy giant Gazprom are being urged to do more to ease prices in the spot market. "It's a delicate time in the global economy, and what's important is that global energy supplies keep up with global energy demand," the senior administration official said.

"There are major energy producers that have spare capacity, and we're encouraging them to use it to ensure a stronger, more sustainable recovery across the world," the official said, without naming any specific countries.



US President Joe Biden is seen after the group photo at the G20 summit at the La Nuvola in Rome yesterday.

Covid takes a toll on female employment rate

FROM PAGE B1

The ratio of female employees stood at 15.8 per cent in state-owned banks as of June this year, down from 18 per cent a year ago.

The ratio in specialised banks went down to 13.7 per cent from 15.5 per cent while that of private banks fell to 15.7 per cent from 18.9 per cent.

Foreign banks also saw a big dropout as the ratio fell to 24.7 per cent from 33 per cent.

Emranul Huq, managing director of Dhaka Bank Limited, said they had recruited entry-level officials in different positions this year but had not been able to appoint as many women as expected.

The bank set a target to appoint females to at least 20 per cent of the total entry-level jobs but failed to do so, he said.

"The Covid-19 crisis might have played a negative impact to this end," Huq added.

Sadaka Halim, dean of the faculty of social sciences at the University of Dhaka, said many families were affected by the coronavirus pandemic.

"And the gender specific impact of coronavirus had been severe," she added.

Female members in the family had to take more responsibilities to combat the coronavirus crisis, she said.

Besides, it appears that many female job seekers do not get financial support from their families to prepare for the competitive tests for banking jobs, she said.

Halim went on to say that banks should have taken the approach of positive discrimination to hire more women.

Maleka Banu, general secretary of Bangladesh Mahila Parishad's central committee, said the pandemic had affected women in every sector.

She accused some lenders of showing less enthusiasm in appointing females.

Women who did manage to get a job despite the odds now face different roadblocks in continuing with their profession.

"Sexual harassment and a lack of required promotions eventually discourage them to carry on," Banu said.

In some cases, they do not get proper support from their family members, she added.

Against this backdrop, many of them resign, Banu said.

In June this year, 16.28 per cent of the entry-level staff was female but the percentage of mid to high-level staff was 15.59 per cent and 8.93 per cent respectively.

Tea production to rise this year

FROM PAGE B4

Production also declined due to an investment crisis as sales were about 46 per cent lower than the previous year.

At present though, the demand for tea has increased from all sectors across the country due to the lifting of lockdowns and other restrictions.

"We have also increased production to meet the growing demand," said Alam, who hopes that 10 crore kg of tea would be produced this year if the weather remains favourable.

AKM Rafikul Hoque, director of the project development unit of Bangladesh Tea Board, said the country produced a record 96 million kg of tea two years ago.

But due to the Covid-19 situation, demand and production decreased by about one crore kg.

The price of tea is increasing after every auction in line with the demand due to the relaxation of restrictions and reopening of schools, colleges, universities, offices and courts.

Hoque went on to say that the target for tea production this year has been set at about 7.78 crore kg.

During the four months of the main harvesting season from June to September, an average of more than one crore kg of tea has been produced.

In other words, in these four months, tea production amounted to 67 per cent of the yearly target, or 5.27 crore kg.

"Stakeholders believe a new record of 10 crore kg is a matter of time if production can be maintained for the remaining three months," he added.

Banglalink's revenue up

FROM PAGE B1

Banglalink said 4G users led this expansion, rising in numbers by 61.4 per cent to 1.1 crore in the third quarter. 4G users accounted for one-third of Banglalink's total customers.

Erik Aas, chief executive officer of Banglalink, said its customer focus combined with targeted network investments and acquisition of additional spectrum contributed to its 4G-user growth.

"We are satisfied with the way Banglalink is moving forward with improved results in all segments," he added.

Banglalink's Average Revenue Per User (ARPU) rose marginally to Tk 117 in the third quarter of 2021 from Tk 116 during the same period a year ago.

The network provider's customers increased 6 per cent year-on-year to 3.4 crore in the third quarter of this year.

Target to generate 4,100MW by 2030

FROM PAGE B1

The NDC of Bangladesh says the target will only be achievable if it receives adequate financing, technology, and capacity-building support to implement the carbon-cutting pledges.

The contribution of Bangladesh to the global greenhouse gas emission is less than 1 per cent. However, it is one of the most climate-vulnerable countries due to rising sea levels caused by greenhouse gas emissions.

"So, we need financial assistance to take measures to become climate-resilient. We will highlight this in the conference," said Mohammad Hossain, director-general of the power cell under the power division.

For Bangladesh's NDC update, 2012 has been considered as the base year, and the plan aims to further mitigation actions that the country may take to tackle its growing emissions and play its part in global efforts.

The NDC promises a number of mitigation actions that will help limit the country's GHG emissions and move to a low-carbon economy with a view to ensuring that the emission does not overshoot the average per capita carbon footprint of the developing countries.

It covers energy, industrial processes, product use, agriculture, forestry and other land use, and waste sectors.

The power sub-sector includes emissions from electricity generation activities from coal, gas, and furnace oil-based electricity plants as well as electricity generated from renewable energy sources.

The new plans come although the country had failed to achieve the goal to produce 5 per cent of its total electricity from renewable sources by 2015 and 10 per cent by 2020 as per the Renewable Energy Policy 2008.

Currently, Bangladesh's installed power generation capacity is about 24,000 MW, on the back of 146 power plants, captive and off-grid sources. Of the amount, only 776 MW are generated from renewable sources, representing about 3 per cent of the total electricity production.

If Bangladesh can achieve its targets set in the NDC, this will take the share of renewable energy-based power generation capacity to around 10 per cent in 2030, when the country aims to generate 46,000 MW, doubling from the current level.

Renewable energy in Bangladesh has made a stride in recent times, and the total power generation from the segment will increase significantly by 2021, said Mohammad Alauddin, chairman of the Sustainable and Renewable Energy Development Authority.

"By the end of December, more than 1,000 MW of electricity will be produced from renewable sources. Some big solar-powered plants are now in the implementation phase."

Presently, nine solar power plants are being constructed with a combined generation capacity of 450 MW, and a wind power project that will produce 60 MW.

Besides, agreements are set to be inked to set up 12 solar plants with a total generation capacity of 500 MW and a few other wind and biomass plants with a combined capacity of 130 MW.

"About 2,000 MW of electricity from renewable energy sources is in the pipeline, and for that, the government has finance commitment from the private sector," said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

"For the rest 2,100 MW under the updated NDC, the government can seek international financing during the COP26." However, according to Moazzem, the main challenge for Bangladesh is overcapacity as the country has to spend a hefty amount to meet the cost of unutilised electricity.

Overcapacity stands at 48 per cent, said the think-tank in a paper recently.

"The government should focus on transmission and distribution and phasing out coal-based and quick rentals power plants. In doing so, it will be able to create space to use the power generated from renewable energy sources," said Moazzem.

Bangladeshi origin startup wins Tk 85 lakh

FROM PAGE B1

inspire young entrepreneurs and startups and support an enabling ecosystem in the country.

The campaign was run in 142 countries and over 7,000 startups and inventors from 57 countries, including Bangladesh, participated in the initial stage.

Following grooming sessions at an online boot camp and a reality TV show comprising the country's established business icons, 46 startups won their place at the finale -- 26 local, 10 international and 10 of the iDEA Project.

The grant winners were selected based on various issues, including startup concept, feasibility, business, technology, finance and implementation plan.

Addressing as chief guest, Finance Minister AHM Mustafa Kamal said the government had allocated Tk 100 crore in the current budget to support young innovators.

Today's young inventors will play an

important role in the country's economy. Money is not a challenge, he said, adding, "We will move forward in the right direction by transforming the challenge into a possibility."

The finance minister said Bangladesh's startup ecosystem started to form in 2010 and currently there were over 2,500 startups, directly or indirectly employing more than 1.5 million people, and 40 accelerator and incubator programmes.

The ICT sector's export revenue stands at over \$1 billion, said State Minister for ICT Division Zunaid Ahmed Palak, who announced the winners.

"We are working towards the goal of increasing the export earnings to \$5 billion by 2025 and creating employment for 3 million people," he said, adding that a startup policy would soon be formulated.

Senior Secretary to ICT Division NM Zeaul Alam, BCC Executive Director Md Abdul Mannan and iDEA Project Director Md Abdur Rakib were present.

Robi's profit rises as costs fall

FROM PAGE B1

Its operating profit, however, declined 19 per cent during the first three quarters of 2021 as its cost of revenue -- total cost of delivering services to consumers -- shot up during the period.

Cost of revenue increased 16 per cent year-on-year to Tk 3,981 crore in the

January-September period this year, the company's financial statement shows.

The mobile network provider also recorded higher selling and distribution expenses during the period.

Robi's share value remained unchanged on Thursday, the last trading day of the previous week, closing at Tk 39.50.