



STANDARD CHARTERED BANGLADESH

**Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh (SCB), hands over a crest to Ahsan Khan Chowdhury, chairman of Pran-RFL Group, during the financial closure ceremony of a green bond at the Pran-RFL Group headquarters in Dhaka yesterday. Enamul Haque, head of client coverage of corporate, commercial and institutional banking at SCB, Muhit Rahman, head of financial markets of the bank, and Uzma Chowdhury, finance director of Pran-RFL Group, were present. Story on B1.**



COLLECTED

**India's Manipal Hospitals signed a partnership agreement with AFC Health Ltd to provide operational and management support to hospitals in Bangladesh. Md Sarwar Hossain, chairman of AFC Health, disclosed it at a press conference at the Pan Pacific Sonargaon Hotel in Dhaka recently. Jewel Khan, managing director of AFC Health, Karthik Rajagopal, group chief operational officer of Manipal Health Enterprise Pvt Ltd, and Vikas Tayer, head of international healthcare services of the Indian company, were present.**

## Daraz wins Mastercard Excellence Award 2021

STAR BUSINESS DESK

Online marketplace Daraz Bangladesh recently won a "Mastercard Excellence Award 2021" in "Excellence in Mastercard Business (Merchant)- Online 2020-21" category.

Khondoker Tasfin Alam, chief operating officer of Daraz Bangladesh, received the award at the Sheraton Dhaka, said a press release.

"We...look forward to bringing further excellence to our business operations," said Monjuri Mallik, head of product management and payments.

MA Mannan, planning minister, Md Khurshid Alam, executive director of Bangladesh Bank, and Helen LaFave, charge d'affairs of the US embassy in Dhaka, were present.

## Credit card spending keeps growing as virus recedes

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"Economic hardship may return if another wave of Covid-19 hits the country," the country manager said while calling for all relevant parties to promote contactless payment as it could play a vital role in containing the spread of the deadly virus.

A lack of confidence in e-commerce caused by massive irregularities recently unearthed in the sector came as a major blow to the digital payment segment.

Some e-commerce platforms were found to have not delivered products and services to clients despite receiving advance payments.

Clients now largely pay the value of the products based on the cash on delivery system, avoiding settlements through card transactions.

The amount of e-commerce transactions totalled Tk 778 crore in September, up 0.25 per cent from one month ago and 91 per cent year-on-year.

Mahiul Islam, head of retail banking at Brac Bank, said the use of credit cards had increased to a large extent.

The bank has set a target to issue around 7,000 credit cards to clients this month.

Up until September, the number of credit cards in the market totalled about 18.03 lakh, up 1 per cent from a month ago and 11 per cent year-on-year.

"But, we are now a bit worried about the latest variant of the coronavirus. If it spreads alarmingly, the purchasing power of people will face another disruption," Islam said.

"This will have an adverse impact on the economy's current upward trend," he added.

## Well-timed regulatory, policy reforms to draw more FDI

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"We need to remain competitive and provide a comparative advantage as an investment destination when investors are deciding where to invest," she noted.

According to Anwar, Bangladesh needs to be fully welcoming, open and adaptive to the needs of foreign investors and provide support similar to that enabled for the garments sector at its nascent stage.

"There should be a clear mandate on this to attract new investments."

Bangladesh also needs to scale up bankable projects in the areas like power logistics, transmission, city development and renewable energy for investors while ensuring environmental and social standards that are at an international level, she suggested.

"The private and public sectors need to work together to develop and maintain a robust and effective public-private partnership framework."

## WTO postpones ministerial meeting after new variant outbreak

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They pledged to continue working to narrow their differences on key topics like the WTO's response to the pandemic and the negotiations to draft rules slashing harmful fisheries subsidies.

Okonjo-Iweala and Castillo urged delegations to maintain the negotiating momentum that had been established in recent weeks, the WTO said in the statement.

"This does not mean that negotiations should stop. On the contrary, delegations in Geneva should be fully empowered to close as many gaps as possible. This new variant reminds us once again of the urgency of the work we are charged with," the Director-General said.

Okonjo-Iweala said she had scheduled a series of discussions over the weekend with ambassadors and visiting negotiators and that she planned to go ahead with these meetings. Negotiating group chairs said the same thing.

This marks the second time that the pandemic has forced a postponement of the 12th Ministerial Conference. The meeting was originally due to take place in June 2020 in Nur-Sultan, Kazakhstan. Although the General Council decided to move the meeting to Geneva, Kazakhstan was chosen to chair the meeting. No date has been set for the rescheduling of the Ministerial Conference.

## Malaysia to investigate Dyson decision to cut ATA ties

REUTERS, Kuala Lumpur

Malaysia said on Friday it will investigate British home appliance maker Dyson's decision to sever ties with ATA IMS over the Malaysian supplier's labour practices.

Dyson told Reuters on Thursday that it was ending its contract with ATA after an audit of the company's labour practices and allegations by a whistleblower.

Malaysia's Human Resources Minister M Saravanan said the government wanted to hear the reasons from both parties.

"I am informed that Dyson did not want to continue the contract due to (a) worker shortage. There are two different stories," Saravanan told reporters.

Malaysia has faced scrutiny over claims that migrant workers are subjected to abusive working and living conditions, while ATA is already being investigated by the United States over forced labour allegations.

Saravanan said he has received complaints on the use of forced labour in Malaysia, specifically forcing workers into excessive hours due to labour shortages.

## Tourism's share 3.02pc in GDP

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"In addition to that, this report is also furnished with different macro-economic aggregates related to the tourism sector. Detailed data on tourism consumption and production account of tourism industries are included," he said.

### DOMESTIC TOURISM

Domestic tourists spent an estimated Tk 74,959.2 crore.

Some 44.30 per cent of households reported to have embarked on at least one same-day trip with an average of 2.72 participants.

Around 64.14 per cent reported at least one overnight trip with 2.56 participants. The average duration was 3.46 nights.

Of the same-day visitors, the highest 41.26 per cent had gone to visit friends and relatives. Another 20.78 per cent sought health and medical services and 16.69 per cent went shopping.

Most overnight visitors (76.70 per cent) also visited friends and relatives. Around 10.36 per cent sought health and medical services and 4.32 per cent went for a holiday, leisure or recreation.

Nearly all (96.60 per cent) same-day trips were not under any package. The same was for overnight trips (97.13 per cent).

The majority of overnight visitors (52.05 per cent) availed buses for transport, 14.48 per cent rented transport, and only 0.28 per cent air transport.

December accounted for the highest number of the same-day trips (10.68 per cent), followed by August (10.01 per cent) and February (9.85 per cent).

The year's closing month also topped the chart for overnight trips (12.60 per cent), followed by June (10.30 per cent) and January (9.27 per cent).

For same-day trips, Tk 13,458.3 crore was spent. The highest (44.76 per cent) was for shopping, followed by health and medical service.

For overnight trips, the expenditure was Tk 61,501 crore. The highest was on transport (36.02 per cent), followed by

shopping (17.82 per cent) and health and medical services (15.76 per cent).

Around Tk 2,260 was spent for each same-day trip whereas Tk 9,071 for overnight ones.

### OUTBOUND TOURISM

Some 29.21 lakh Bangladeshi residents are estimated to have gone on visits abroad in fiscal 2018-19.

Every outbound trip comprised 1.87 participants while the duration was 5.76 nights.

The majority (60.41 per cent) was to India, followed by Saudi Arabia (8.12 per cent) and Malaysia (4.57 per cent).

Some 45.11 per cent went to visit relatives and friends, 15.76 per cent for health and medical purposes, and 12.77 per cent for holidays, leisure and recreation purpose.

Dhaka division generated the highest 25 per cent of outbound visitors, followed by Khulna (19.84 per cent) and Sylhet (17.66 per cent). Mymensingh generated the least (0.54 per cent).

For outbound tourism, the expenditure appeared to be Tk 33,686.8 crore, of which Tk 7,494.3 crore (22.25 per cent) was pre-trip expenditure (domestic expenditure for outbound trip).

The outbound visitors spent mostly on health and medical purposes (29.49 per cent), followed by transport (25.28 per cent) and shopping (22.94 per cent).

### INBOUND TOURISM

Around 16.4 lakh tourists visited Bangladesh in 2018-19. Some 80.28 per cent were non-resident Bangladeshis while the rest foreigners.

Most (72 per cent) preferred air travel and the rest over land.

The highest expenditure (23.78 per cent) was attributable to food and beverage serving services, followed by accommodation services (18.39 per cent) and road passenger transport services (17.4 per cent).

This segment spent Tk 23,780.3 crore, a majority of which (82.38 per cent) was by non-resident Bangladeshis.

## Profit growth signals strong economic rebound

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"People have confidence in the country's economic rebound as their earnings are now in good shape," he added.

Besides, remittance earnings also increased and so peoples' consumption and expenditure in construction, fast-moving consumer goods, and all other sectors saw a marked rise.

Among the 288 companies, 48 incurred losses while the remaining 240 registered profit, as per DSE data.

Grameenphone logged the highest first-quarter profit of Tk 856 crore, followed by Square Pharmaceuticals at Tk 499 crore.

Profits of Beximco Ltd, British American Tobacco Bangladesh, and United Power Generation stood at Tk

360 crore, Tk 294 crore and Tk 289 crore respectively.

Not all sectors enjoyed such stellar performances though: the service and the fuel and power sectors witnessed a fall in profits in the July-September period.

Due to the expiration of power purchase agreements, the profitability of some listed electricity generation companies was negatively impacted, said Shahidul Islam, chief executive officer of VIPB Asset Management.

Low interest rates on bank deposits also impacted the profitability of some cash-rich companies.

"Their quarterly profit reports for the last five years show that there was huge volatility in corporate earnings, but an average growth of about 11

per cent is in line with the growth of nominal gross domestic product," he said.

Some big companies incurred losses in the July-September quarter of FY2018-19 and this had a negative impact on the total profits of all listed companies for that period, Islam added.

The profits of listed companies during the period had dropped 7 per cent year-on-year to Tk 4,778 crore compared to Tk 5,175 crore the year before.

ICB, ACI, Al-Arafah Islami Bank, Exim Bank, RN Spinning Mills, and Heidelberg Cement incurred a combined loss of Tk 260 crore in July-September 2019 after logging profits in the same quarter the previous year.

## NBFIs seek deferral of BB rules seeking to restore discipline

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In the letter to the BB, the BLFCA said that the guidelines would have a serious impact on the recovery aspect for most of the borrowers as well as the industry.

Mominul Islam, chairman of the association, said that they had requested the central bank to suspend the guidelines as many businesses were still struggling to manage daily cash flow and were yet to recover from the damages caused by the coronavirus pandemic.

These borrowers may start to pay regular instalments if adequate support is provided to them to absorb the shock, said Islam, also the managing director of IPDC Finance,

in the letter.

A central bank high official says that there is no relation between the pandemic and the guidelines.

He explained that a majority of the country's 35 NBFIs were now unable to repay depositors because of the absence of the credit discipline.

"If the central bank entertains the BLFCA demands, it will be quite difficult to establish the corporate governance in the NBFI sector," he said.

Md Serajul Islam, a spokesperson and executive director of the central bank, described the BLFCA proposals illogical.

"There is no scope to show an inflated income segment without

realising money from clients," he said.

Bangladesh's NBFI sector has been going through a crisis owing to irregularities and scams. The woes widened after Proshanta Kumar Halder, also known as PK Halder and his accomplices, embezzled a large amount of money from at least four NBFIs.

NPLs in the NBFI sector rose 16 per cent year-on-year to Tk 10,328 crore in June, data from the central bank showed. The ratio of the bad loans accounted for 15.38 per cent of the outstanding loans.

A number of NBFIs have recently failed to repay depositors despite their funds reaching maturity.

## LankaBangla Finance gets \$21m foreign loans

STAR BUSINESS DESK

LankaBangla Finance has recently received \$21 million in foreign currency loans from two companies with prior approval from Bangladesh Bank.

Financing for Healthier Lives DAC, an Ireland-based special purpose vehicle, provided \$5 million whereas five funds managed by responsAbility Investments AG, a Swiss impact investment manager, provided \$16 million, said a press release.

The funds will mainly be utilised to provide loans to small and medium enterprises and finance projects with positive social impacts.

## Prime Bank wins bronze at Efma-Accenture Banking Innovation Awards 2021

STAR BUSINESS DESK

Prime Bank has won a bronze at an Efma-Accenture Banking Innovation Awards 2021 in an analytics and artificial intelligence category.

The bank got the accolade for its artificial intelligence driven platform "PrimeAgrim" that focuses on innovation to cater to banking needs and propel financial inclusion, said a press release.

The Bank of Santander of Spain won gold while ING Bank of Turkey silver.

"Global recognitions like this assures that we are indeed on the right path and we shall keep working to bring even more innovative and customer-centric digital initiatives in the future," ANM Mahfuz, deputy managing director of Prime Bank.

"Our focus is to deploy technology and innovation for financial inclusion and this recognition certainly adds to that motivation," said Hassan O Rashid, chief executive officer of Prime Bank.

Efma recognises banking innovation, this time attracting 816 entries from nearly 300 financial institutions in 73 countries.

## Investment summit begins today

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The international community sees Bangladesh as a poor and disaster-prone country, said the adviser.

"But they do not have any idea about the new Bangladesh, which has grown significantly under the present government."

In the last 12 years, Bangladesh has achieved unprecedented growth, as its gross domestic product has reached over \$300 billion from only \$80 billion, he said.

Prime Minister Sheikh Hasina will virtually inaugurate the summit, which will be joined by around 2,574 people from 54 countries. Of them, 465 are foreigners and the rest 2,109 Bangladeshis.

Some deals will be signed at the summit, Md Sirazul Islam, executive chairman of the Bida, said at the press briefing.

He said the investment promotion agency had selected 11 promising sectors, for which it would seek investment.

All guests have already reached Dhaka and the rest will take part virtually, he said.

Some high-level participants have also sent video messages to the Bida, Islam said.

## StanChart arranges country's first-ever green bond

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"So, we hope that this bond will pave the way for others, highlighting that finance can play a role as an important force for good," he added.

Ahsan Khan Chowdhury, chairman of Pran-RFL Group, said: "We are entering a new era of green finance. The transition to a greener, more sustainable future presents new opportunities for businesses and communities."

"We see significant potential in the green finance space in Bangladesh, and look forward to more exciting developments in the future," he added.

Standard Chartered is leading the debt capital market in Bangladesh. Since 1997, the financing solutions unit of the international lender has put together more than the equivalent of \$7 billion in local and foreign currency syndicated loans/debt facilities in the power, telecommunication, infrastructure, food and beverage, textile, service, and other key sectors.

Uzma Chowdhury, finance director of Pran-RFL Group, and Fakhru Ahsan, manager for corporate finance, were present at the event alongside Enamul Haque, head of client coverage of corporate, commercial and institutional banking at SCB, and Muhit Rahman, head of financial markets.