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Star BUSINESS

Pran-RFL going for Tk 1,700cr expansion

STAR BUSINESS REPORT

Pran-RFL Group, one of the country's leading industrial houses, plans to invest Tk 1,700 crore to expand its footprint in consumer goods, poultry, and mobile assembling, the group said yesterday.

"Bangladesh has a large consumer product market, with the majority of products being edible oil, flour, lentil, salt, and so on," said Kamruzzaman Kamal, director (marketing) of Pran-RFL Group.

"We plan to manufacture a wide range of sugar-free consumer goods and will build a factory in Gazipur to do so," he said at a briefing with journalists at a hotel in Cox's Bazar.

"Besides we are investing in some other sectors including footwear, glassware and poultry industry," he said, adding that the expansion would create about 20,000 new jobs.

The group said it was establishing an agro processing park at Muktarpur in Gazipur to establish a seed crushing mill to extract edible oil.

The 180-bigha area will also have flour, salt and pulse and feed mills, all set up with an investment of Tk 1,500 crore. Production could begin at the end of the year, it said.

Operating in diversified areas ranging from agro-processing, dairy, plastics, electrics to furniture, Pran-RFL has 23 factories and employs nearly 129,000 people to market its products locally and globally.

The group exported nearly $420 million-worth products in fiscal year 2020-21, it said.

The group has been on an expansion drive in recent years.

Pran said it was establishing another plant to make smart and feature phones along with mobile accessories, including headphone, battery and charger.

The unit will be established in Narsingdi with an investment of Tk 10 crore. The group plans to launch the handsets from March this year.

The group also plans to open a garment factory

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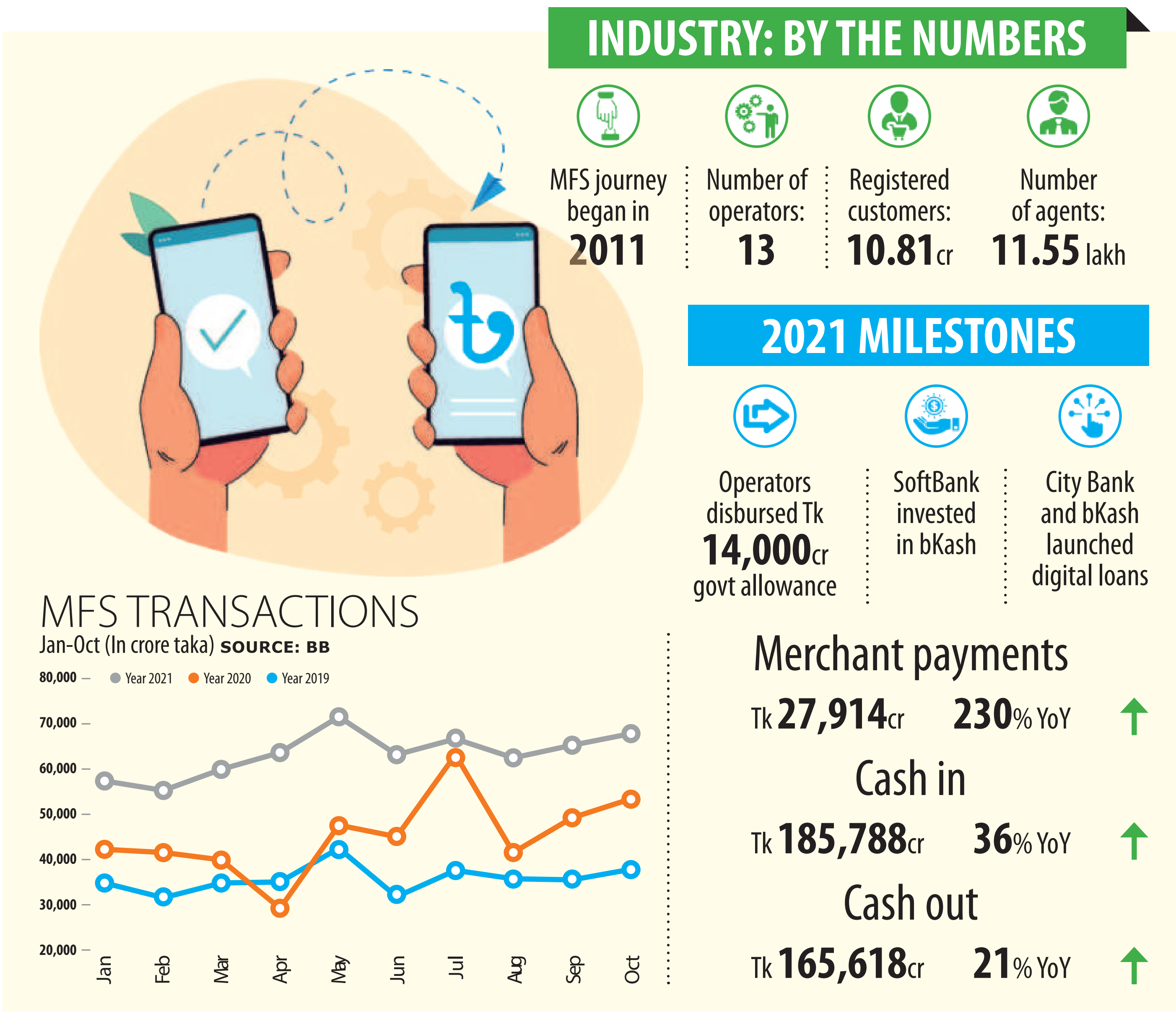

Mobile money booms, empowers unbanked

MAHMUDUL HASAN

Mobile financial services, seen as a means of poverty alleviation and financial inclusion, fared well in 2021 in Bangladesh thanks to adaptation of the people to digital transactions amid the coronavirus pandemic, the government's gradual switch to digital system to disburse social safety net funds and inflow of foreign investment.

Merchant payments, which include payments to retail shops and e-commerce by customers, surged to Tk 27,914 crore in the first 10 months of 2021, up by a massive 230 per cent compared to the same period a year ago.

It's a testament to the acceleration of digital transactions during the pandemic as mobile financial service (MFS) providers emerged as a saviours in the fight against the deadly contagious virus.

Overall transactions through MFS providers shot up to Tk 631,013 crore in the January to October period, up 40 per cent year-on-year, data from the Bangladesh Bank showed.

Cash-in rose 36 per cent and cash-out went up 21 per cent.

Last year saw the disbursement of the funds under the social safety net programmes through the major operators.

The government disbursed old-age allowance, widow allowance, student stipends, allowances for the people with special needs, the underprivileged, and the students with special needs, farmers' allowance and in other areas.

MFS providers distributed about Tk 14,000 crore in 2021 on behalf of the government, and a majority of which by Nagad, the MFS wing of the postal division.

Safety net disbursement through MFS providers was first initiated in May 2020 during the initial wave of the pandemic. Primarily, the government wanted to provide cash assistance to 50 lakh poor families hit by the pandemic.

But, only 36 lakh beneficiaries received the money after MFS operators pointed out duplication in the list of the beneficiaries, thus identifying leakage.

This encouraged the government to involve MFS operators widely in different types of disbursements as it witnessed better transparency.

Subsequently, the government increased the disbursement last year, and it will shoot up further in 2022.

"The government's allowance disbursements through MFS providers have several advantages such as transparency, elimination of intermediaries, and significant reduction in delivery time and cost," said Abul Kashem Md Shirin, CEO of Dutch-Bangla Bank, which owns Rocket that pioneered MFS in Bangladesh.

Rocket added 47 lakh customers last year, taking its tally to 2.66 crore, up from 2.19 crore in 2020.

Launched in the first quarter of 2011, its average daily transaction in 2020 was Tk 480 crore, up 45 per cent from the previous year.

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Non-food inflation: a runaway train

REJAUL KARIM BYRON *and* MAHMUDUL HASAN

Non-food inflation has been unbridled since the government hiked diesel and kerosene prices two months ago, touching 7 per cent in December, a six-year high, pounding consumers.

The higher inflation is particularly painful for a majority of households in Bangladesh as the cost of living has gone up owing to the sharp rises in the non-food inflation as well as an elevated level of food inflation.

Owing to a 13-basis points month-on-month surge in December and 39 basis points in November, the non-food inflation reached almost the levels of December 2015, when it was 7.05 per cent, data from the Bangladesh Bureau of Statistics showed yesterday.

It was 6.48 per cent in October last year, meaning it went up by 52 basis points since the government raised the price of diesel and kerosene by 23 per cent, the biggest jump in a decade, in the first week of November.

The move prompted the public transport operators to call a countrywide strike, forcing the government to increase the bus fare by as much as 28 per cent and launch fares by up to 43 per cent in order to appease the operators.

As a result, it sent the general inflation above 6 per cent as the Consumer Prices Index (CPI) rose to a 14-month high of 6.05 per cent in December from November's 5.98 per cent. General inflation was 5.7 per cent in October.

Food inflation is also at a higher level for the elevated commodity prices, fueled by supply constraints, pent-up demand and unprecedented shipping costs.

It was up three basis points at 5.46 per cent in December, the highest in six months, after increasing 21 basis points in November.

Supply chains have been gummed up by robust demand as economies emerge from the Covid-19 pandemic, thanks to more than $10 trillion in global economic stimulus. The coronavirus pandemic has caused a global shortage of

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STOCKS

DSEX ▲	CSCX ▲
0.83%	0.84%
6,987.45	12,310.45

COMMODITIES

Gold ▼	Oil ▲
$1,788.74	$79.26 (per barrel)

CURRENCIES
STANDARD CHARTERED BANK

	$ USD	€ EUR	£ GBP	¥ JPY
BUY TK	85.05	95.13	114.19	0.72
SELL TK	86.05	98.93	117.99	0.75

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.03%	▼ 2.88%	▲ 0.66%	▼ 0.25%
59,601.84	28,487.87	3,184.30	3,586.08

INDONESIA'S COAL EXPORT BAN

Bangladesh sees no imminent setback

JAGARAN CHAKMA

Bangladesh is unlikely to face any immediate effect for the coal export ban by Indonesia, the world's biggest thermal coal exporter.

This is due to the major sectors, namely power plants and brick fields, having stocks that will last two to three months, said insiders.

Indonesia's ban in January was for concerns that low supplies at domestic power plants could lead to widespread blackouts, which, Reuters says, unnerved global markets for the fuel and triggered energy security concerns in some major economies.

"We are yet to see any impact," said Falah Uddin Ali Ahmed, a major coal importer, citing that prices remained unchanged at local markets at Tk 16,000-Tk 17,000 per tonne.

He said Bangladesh imports nearly 35 lakh tonnes of coal from Indonesia every year, which was 43 per cent of the total requirement of about 80 lakh tonnes.

Most of the coal is used in brick kilns as burning of firewood for the purpose of baking bricks has been banned.

The rest goes to garment makers and the power sector, he said.

Ali said as much as 40 per cent of brick fields were not operational this year.

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Workers unload coal for use in firing brick kilns. Imported from Indonesia, the coal is transported via waterways from Mongla and Chattogram ports. Bangladesh imports nearly 35 lakh tonnes of coal from Indonesia every year, which is 43 per cent of the total requirement of about 80 lakh tonnes. The photo was taken from Rupatoli area in Barishal city on Tuesday. PHOTO: TITU DAS

BB tightens rules for selling digital services

STAR BUSINESS REPORT

The Bangladesh Bank yesterday said nobody would be allowed to sell foreign digital services if they are brought in from abroad for personal use.

The digital items or services include e-book, music, research and data, software programme and so on.

The e-commerce platforms are selling several digital items to the local people against payments in local currency, according to a central bank notice.

But such types of sales breach the provisions of the Foreign Exchange Regulation Act, 1947 if the merchants do not purchase those from external sources without settling payment through banking channels, it said.

The merchants have to pay outward remittances to purchase the products as well in line with the foreign

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