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Bangladesh is a major exporter of garment and footwear items to the US market. Apparel export to the American market from Bangladesh grew 45.91 per cent year-on-year to \$4.23 billion in the July-December period.

PHOTO: STAR/FILE

# Exporters enjoying US sales bonanza

US consumers expected to purchase 30pc more garment, footwear in 2022: study

REFAYET ULLAH MIRDHA

Spending behind apparel and footwear in the US exceeded pre-pandemic levels in every month of 2021, says a new study by online personal styling service Stitch Fix. And this translates as good fortunes for Bangladeshi exporters.

The US apparel and footwear spending is expected to grow 30 per cent year-over-year, Stitch Fix said in its 2022 Style Forecast report on January 14.

The pandemic greatly accelerated the shift toward online shopping. E-commerce grew to account for 36 per cent of total apparel and footwear sales in 2020, versus 26 per cent in 2019, it said.

It is expected to remain at about 32 per cent even as the world reopens, it added.

Available in the United States and United Kingdom, the styling service uses recommendation algorithms and data science to personalise clothing items based on size, budget and style.

The study is based on data

collected from 4.2 million clients and thousands of expert stylists and merchandisers.

Bangladesh is a major exporter of garment and leather footwear goods to the US markets.

Apparel export to the American markets from Bangladesh grew 45.91 per cent year-on-year to \$4.23 billion in the July-December period.

Export of goods and leather made of leather to the US markets also increased thanks to high demand from retailers and brands.

The export growth was mainly driven by three factors – the US-China trade tension, strength in production of both basic garment items and those in the middle range of price and quality, and competitive prices.

“I agree with the Stitch Fix findings as export from my garment factories has been rising steadily to the US markets,” said AK Azad, chairman and chief executive officer of Ha-Meem Group, a leading exporter.

He exported \$550 million

worth of garment items in 2021 of which 95 per cent went to the US markets. This year some \$100 million-worth more garment items are expected to be shipped to the US markets.

Similarly, Md Shahidullah Chowdhury, chief executive

Bangladesh.

Western retailers and brands have been heading over to Bangladesh with plenty of work orders in an attempt to diversify sources and reduce overdependence on a single source.

Agreeing with the findings, Md Shahidullah Azim, managing director of Classic Fashion, said garment export to the US markets at the end of the year may cross \$8 billion as the growth was very high.

“We are feeling the effect US retailers and brands are having through the high volume of export orders for garment items,” said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

“We have already received 30 per cent more work orders than what was estimated for the past six months,” he said.

“Confidence on Bangladeshi apparel items has improved a lot following the strengthening of workplace safety and continuation of product supply even during the pandemic’s peak,” he said. Talking to The Daily Star over the phone, Hassan also said the local manufacturers were also very strong in the production of garment items which Stitch Fix talked about in the report.

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officer of Noman Group, another leading garment exporter, said his group has also been receiving more work orders from the US-based retailers and brands this year compared to last year.

“I also agree with the Stitch Fix findings,” Md Saiful Islam, president of the Leathergoods and Footwear Manufacturers & Exporters Association of

Islam said leather and leather goods and footwear export have witnessed growth of over 18 per cent year-on-year in the July-December period.

The US retailers and brands need a lot of finished goods at this time of recovery and they are coming here now, said Islam, also the president of the Metropolitan Chamber of Commerce and Industry.

## Six ICDs soaking up 60pc of cargo volume

DWAIPAYAN BARUA, Ctg

An intense competition is ongoing among private inland container depots (ICDs) to see who can handle the most import and export cargoes, which is helping ease congestion at Chittagong Port by facilitating the quick clearance of shipments.

At present, there are 19 private ICDs located in and around Chittagong city.

Among these, six ICDs have remained in the top position for handling both export and import containers in the last five years.

Around 10.12 lakh TEUs (twenty-foot equivalent units) of import and export containers were handled by the 19 ICDs in the just concluded calendar year. However, the six leading ICDs jointly handled around 60 per cent of the total volume.

The six ICDs are: KDS Logistics Ltd, Portlink

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# PERFORMANCE OF INLAND CONTAINER DEPOTS

## Top ICDs in handling exports

In TEUs; Year: 2021

ICDs	EXPORT
KDS	103,393
SAPL (E&W)	95,189
ESACK	67,396
PORTLINK	65,255
ICL	64,573
BM	56,329
SAPL (N)	49,771
ISATL	49,518
SHAFI	28,932
GOLDEN	27,558



## Top ICDs in handling imports

In TEUs; Year: 2021

ICDs	IMPORT
PORTLINK	72,199
KDS	43,750
ICL	32,096
ESACK	30,768
SAPL (E&W)	24,109
BM	21,316
EASTERN	12,114
QNS	10,301
CCTCL	9,330
ISATL	8,236

## BOOK BUILDING

# Little perks for good firms going public

AHSAN HABIB

Over the last year, the stock market regularly maintained a uniform rule for price discovery of companies willing to issue shares with premium prices instead of the fixed price method.

Under the system that was put in place following allegations of malpractice in price development, share prices of a company coming to the stock market are derived based on a simple average of its asset value and yield analysis.

Prices can be predicted under the current method as a bidder cannot bid 1.2 times the value, which may deprive a financially sound and prospective company of getting fair value of its shares, according to market operators.

The issue came to the surface after a bidding of JMI Hospital Requisite Manufacturing ended in only 5.44 seconds with most bidders offering Tk 25 for its shares at the same time.

Market operators said as the Bangladesh Securities and Exchange Commission (BSEC) is trying to attract good companies to the stock market to increase the supply of quality scripts, the current rule of price discovery through the book building method may not be attractive enough to lure them in.

Last month, the Dhaka Stock Exchange (DSE) held a meeting with big business houses to encourage them to get listed.

“But the existing pricing process will discourage big and renowned companies from entering the stock market,” said Md Moniruzzaman, vice-president of the Bangladesh Merchant Bankers Association.

Merchant bankers do the main task for bringing a company to the stock market but the companies will not get lucrative prices under the system.

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# Farmers get 10 new high-yielding paddy varieties

STAR BUSINESS REPORT

Ten new varieties of high-yielding paddy, including a zinc-enriched crop, have been registered and released for cultivation next season.

Of these, two inbred varieties – Brri Dhan 101 and Brri Dhan 102 – were developed by the Bangladesh Rice Research Institute while two other inbred varieties – BINA 25 and Dhan 2 – were developed by the Bangladesh Institute of Nuclear Agriculture and Brac respectively.

The other six varieties are hybrids developed by private institutions.

The National Seed Board gave the approval at a meeting chaired by Agriculture Secretary Md Sayedul Islam, also chairman of the board, at the secretariat yesterday.

Inbred crops are produced by repeated inbreeding over multiple generations, typically through self-pollination.

Meanwhile, a hybrid crop is a result of two different varieties of the same plant that are cross-pollinated to create off-springs that contain the best traits of each parent.

As such, Brri Dhan 101 is resistant to bacterial burns and Brri Dhan 102 is a zinc-enriched rice variety, according to a press release from the agriculture ministry.

In the trial cultivation, the average yield of Brri Dhan 101 was about 7.72 tonnes per hectare while Brri Dhan 102 produced 8.11 tonnes per hectare. The zinc content in Brri Dhan 102 rice is 25.5 milligrammes per kilogramme.

The average yield of BINA 25 is 7.64 tonnes per hectare and the white rice is very long and thin,

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STOCKS

DSEX	CSCX ▲
Flat 7,055.70	0.04% 12,409.88

COMMODITIES

Gold ▼	Oil ▲
\$1,813.55 (per ounce)	\$85.28 (per barrel)

CURRENCIES

STANDARD CHARTERED BANK

	\$ USD	€ EUR	£ GBP	¥ CNY
BUY TK	85.05	95.92	115.14	13.17
SELL TK	86.05	99.72	118.94	13.84

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.90% 60,754.86	▼ 0.27% 28,257.25	▼ 0.24% 3,280.04	▲ 0.80% 3,569.91





Job seekers speak to potential employers at a jobs fair for people 50-year-old and older, put together by the UJA-Federation in New York City.

PHOTO: AFP

# Pandemic still taking heavy toll on jobs: UN

AFP, Geneva

The Covid-19 crisis is continuing to hit jobs hard around the world, the United Nations said Monday, warning it could take years for employment levels to reach pre-pandemic levels.

In a new study, the UN's International Labour Organization revised its previous forecast that the global employment market will make a nearly full recovery from the virus this year.

Blaming the impacts of Covid variants like Delta and Omicron and uncertainty around how the pandemic will evolve, it now projects a significant deficit in working hours in 2022 compared to before Covid-19 emerged.

"Global labour markets are recovering from the crisis much more slowly than we previously expected," ILO chief Guy Ryder told reporters, warning that the outlook "remains fragile."

"We are already seeing potentially lasting damage to labour markets, along with concerning increases in poverty and inequality."

Monday's report predicted that global working hours would be two per cent below the numbers seen in 2019, leaving

the world short of the equivalent of some 52 million jobs.

Last May, the ILO predicted the working hour shortage would be just half that this year.

At the same time, the global official unemployment rate remains significantly higher than before the pandemic hit.

This year, 5.9 per cent of workers globally, or some 207 million people, are expected to be officially registered as jobless, which is better than in 2021 and especially 2020, but still up from 186 million in 2019.

The ILO report said the global unemployment rate was projected to remain above the 5.4-per cent rate seen before the crisis "until at least 2023".

And it cautioned that the overall impact on employment is significantly greater than what these figures would imply, since many people have left the labour force altogether.

In 2022, the global labour force participation rate is projected to remain 1.2 percentage points below the level three years ago, it said.

That corresponds to a deficit of some 40 million workers worldwide, ILO said.

Ryder warned that the pandemic had already "weakened the economic, financial and social fabric in almost every country, regardless of development status."

At the same time, the ILO pointed out that differences in vaccine access and in economic recovery measures meant the crisis was impacting groups of workers and countries in vastly different ways.

Unsurprisingly perhaps, the report said labour markets in higher-income countries appeared to be recovering faster, although some were now beginning to face problems related to labour shortages, Ryder said.

Numerous factors appear to be driving the so-called "Great Resignation" seen in some countries, Ryder said, adding that the crisis clearly "has led a significant number of people in the workforce to reconsider the employment that they have."

Shifts in the way we work meanwhile seem to be deepening various forms of inequality, including exacerbating gender inequity, according to the report.

It has been clear from the start that

the pandemic was disproportionately impacting women, who have taken on the lion's share of the additional care work, and also more often work in hard-hit sectors, like services and travel.

But Ryder cautioned the impact could last well after the pandemic ends.

"There are concerns that the long-Covid effect on gender at work would be a negative one," he said.

Changes like the move towards greater reliance on informal self-employment, the rise in remote work and shifting trends in temporary work, "all risk impairing the quality of working conditions," the report said.

Ryder insisted that only a "broad-based labour market recovery" would allow the world to truly recover from the pandemic.

"To be sustainable, this recovery must be based on the principles of decent work -- including health and safety, equity, social protection and social dialogue," he said.

The ILO chief cautioned that "without concerted and effective international and domestic policies, it is likely that in many countries it will take years to repair this damage."

## Stocks undaunted amidst Omicron

STAR BUSINESS REPORT

Participation of investors in the stock market continued to rise yesterday in spite of apprehensions over deterioration of the pandemic.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), remained almost flat at 7,055 points.

Turnover, an important indicator of the stock market, of the DSE bourse went up 1.55 per cent to Tk 1,172 crore.

Though the Omicron variant of coronavirus is spreading at a faster rate, the health complications caused is comparatively less severe, so stock investors are still pouring their funds, said a stock broker.

Till January 17, the average number of infections every day over a seven-day period was over 4,000 while average deaths seven.

Though the infection rate was the same in April last year, the death rate was over 50, according to the data repository for the 2019 Novel Coronavirus Visual Dashboard operated by the Johns Hopkins University Center for Systems Science and Engineering.

The lower death rate along with the government decision to keep the economy open is helping investors decide on betting on stocks, the broker added.

Among the major sectors, life insurance, textile and services and real estate closed in the positive while ceramics, miscellaneous and paper and printing faced correction.

At the DSE, 184 stocks advanced, 146 fell and 48 remained the same.

Desh Garments topped the gainers' list, rising 10 per cent, followed by Union Insurance Company, Prime Islami Life Insurance, Shepherd Industries and SS Steel.

## SS Steel's earnings up

STAR BUSINESS REPORT

Chattogram-based steel producer SS Steel recorded a marginal increase in its year-on-year earnings in the July-September period of 2021.

In its filing at Dhaka Stock Exchange yesterday, the listed company said its earnings per share (EPS) rose only 3 per cent to Tk 0.73.

The EPS is the portion of a company's profit allocated to each outstanding share of common stock, meaning it is an indicator of the company's profitability.

"Demand for steel has increased almost everywhere. That is why, our sales has increased which is reflected in our earnings per share," said Company Secretary Md Mostafizur Rahman.

Its consolidated net asset value (NAV) per share also grew to Tk 24.32 on September 30, 2021 from Tk 23.58 as on June 30, 2021.

The steel producer started its journey in 2001, dedicated solely to producing reinforcement bars from small rolling mills.

Its website speaks of plans to double production capacity from this year to expand its market.

Located in Tongi on the outskirts of Dhaka, the company manufactures mild steel (MS) deformed bars of various grades from MS billets and ingots. It also produces MS billets from scrap.

# Asean poised for post-pandemic

FROM PAGE B4

Lao PDR, New Zealand, Singapore, Thailand and Vietnam.

With it, the Asean resolves to keep markets open while strengthening regional economic integration towards post-pandemic inclusive recovery.

RCEP is the biggest regional free trade agreement in existence and will cover 30 per cent of the global GDP and 30 per cent of the world population in addition to accounting for over one quarter of global trade in goods and services.

Key provisions addresses liberalising and promoting intra-RCEP trade, investment and services as well as developing e-commerce, which is highly relevant for regional value chains as well as market and efficiency-seeking investment.

Furthermore, non-RCEP companies can also take advantage of its benefits by locating and operating in the region.

Considering that 40 per cent of investment in the Asean comes from RCEP members -- with about 24 per cent of that coming from non-Asean RCEP member countries -- opportunities exist to boost more sustainable FDI in the region, particularly value chain-linked FDI, taking into account the benefits of RCEP and recently concluded Asean Investment Facilitation Framework (AIFF).

## Fourth Industrial Revolution and Digital Transformation

The recent adoption of the Consolidated Strategy on the Fourth Industrial Revolution (4IR) for the Asean during the 38th and 39th Asean Summits and the Asean Agreement on Electronic Commerce will advance the region's push for digital transformation and private investment in digital infrastructure development (5G networks and data centres), cloud computing, cybersecurity, artificial intelligence and smart manufacturing.

The Asean Comprehensive Recovery Framework (ACRF) identified digital connectivity as a priority to facilitate regional connectivity and economic recovery.

This correlated to the findings of a survey of 86,000 people from six Asean countries conducted by the World Economic Forum and Sea, which found respondents (including business owners) who were "more digitised" tended to be more economically resilient during the pandemic.

However, the survey also found several barriers to digital adoption, including affordable access to quality internet and digital devices.

The Forum is addressing this global issue through initiatives like the EDISON Alliance, which mobilises multi stakeholder collaboration to expand

digital access to more than 1 billion people by 2025.

The Asean Digital Integration Framework will also support the ACRF. The forum has been complementing Asean efforts through the Digital Asean Initiative on data policy, digital skills, e-payments and cybersecurity.

## The Way Forward: Public-Private Cooperation

The Forum's Centre for the Fourth Industrial Revolution Network, which brings stakeholders together to maximise the benefits of technology while reducing potential risks, have shown that public-private cooperation is instrumental for businesses and government to develop cooperative ecosystems to advance digital transformation and innovation.

Governments have an important role in incentivising investments in research and development, while the private sector will drive Industry 4.0 transformation through investing in digitalization of manufacturing, using advanced manufacturing solutions, building smart factories and establishing R&D facilities, technology hubs, and centres of excellence in the region.

Embracing 4IR also requires a parallel commitment to environmental sustainability. This can establish new forms

of efficiency wherein sustainability and competitive excellence are not only compatible, but, in fact, intertwined.

A green future does not only benefit the well-being of the next Asean generation, but is good for Asean economically, boosting the region's competitiveness in attracting green FDIs to address new climate-related investment and trade measures adopted by developed economies.

Asean has shown strong commitment towards climate change and global sustainability efforts.

Several initiatives support Asean's sustainable ambitions, including the Global Plastic Action Partnership in Indonesia and Vietnam.

However, greater commitment to environmental stewardship is also required from the private sector to design corporate purchasing commitments that can drive investment in green technologies and market demand for low-carbon tech to help Asean meet climate.

The First Movers Coalition launched during COP26 could offer valuable insights for Asean on how the private sector can drive decarbonization in different industries and societies in the region.

The writer is the head of Asia-Pacific, World Economic Forum



Prof Mesbahuddin Ahmed, fellow of the Bangladesh Academy of Sciences (BAS), and Syed Waseque Md Ali, managing director of First Security Islami Bank Ltd (FSIBL), unveil the logo of Science Olympiad 2022 in Gulshan, Dhaka yesterday. MA Mazed, director of BAS, Abdul Aziz and Md Mustafa Khair, additional managing directors of the bank, were present.

PHOTO: FSIBL

# Six ICDs soaking up

FROM PAGE B1

Logistics Centre Ltd, two units of Summit Alliance Port Ltd (East and West), Esack Brothers Industries Ltd, and Incontrade Ltd.

In total, the 19 ICDs handled about 7.2 lakh TEUs of export containers last year while the six leading ICDs jointly handled 3.95 lakh TEUs, equivalent to 55.81 per cent of the total volume.

The 19 depots handled some 3.03 lakh TEUs of import containers altogether while the same six leading ICDs handled 2.03 lakh TEUs, or 66.97 per cent, of the total volume.

KDS Logistics has maintained top position in handling export containers for the last five years while it also maintained second

position in handling import containers for the last two years.

Portlink Logistics has been in top position in handling import containers for the last two years while KDS held this rank in 2019 and 2018.

These two ICDs have been seen engaged in an intense competition to clinch the top position in handling cargo containers since 2016.

Md Jahangir Alam, deputy general manager of KDS Logistics, said clients always prioritise quality of service.

"Since we are maintaining all the international standards in delivering our services, reputed international buyers who always prefer compliance nominate our

depot," Alam said.

The depot has more than 90 container carrying vehicles of its own that remain in operation round the clock. It also has the heavy equipment required to handle container movement as smoothly as possible, he added.

Ruhul Amin Sikder, secretary of the Bangladesh Inland Container Depot Association, said the six leading ICDs are handling a major portion of containers mainly for their comparatively larger storage capacities.

All 19 ICDs are playing an important role in facilitating Bangladesh's foreign trade by handling a huge portion of the total export and import cargoes that are transported through Chittagong Port.

The private ICDs handled 93 per cent of the total export containers transported through the port while they handled around 23 per cent of the total imports in 2021.

"We have long been demanding to increase the number of import items to be handled in the private ICDs," Sikder said.

Currently, only 38 types of import goods are sent to private ICDs from the port for delivery to consignees.

Mentioning that in most global container ports almost all the import containers are delivered outside the port yards, Sikder said if more types of import goods are allowed to be delivered by the ICDs, the efficiency of Chittagong Port would be enhanced.



## Bangladesh's exports to India to grow record \$2b by FY22

### STAR BUSINESS REPORT

Bangladesh's exports to the Indian markets are expected to reach \$2 billion for the first time at the end of the current financial year as the demand for Bangladeshi products is increasing to the neighbouring country.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said this in a statement following a meeting between Indian High Commissioner to Bangladesh Vikram K Doraiswami and FBCCI President Md Jashim Uddin at the FBCCI office in Dhaka yesterday.

In the last one year, the trade between Bangladesh and India increased by 94 per cent, it said.

Addressing the meeting, Doraiswami said his country wants to improve trade and investment relations with Bangladesh in the areas of logistics, food processing, automobiles and garments.

He also sought cooperation from FBCCI for strengthening the bilateral trade relations between the two countries.

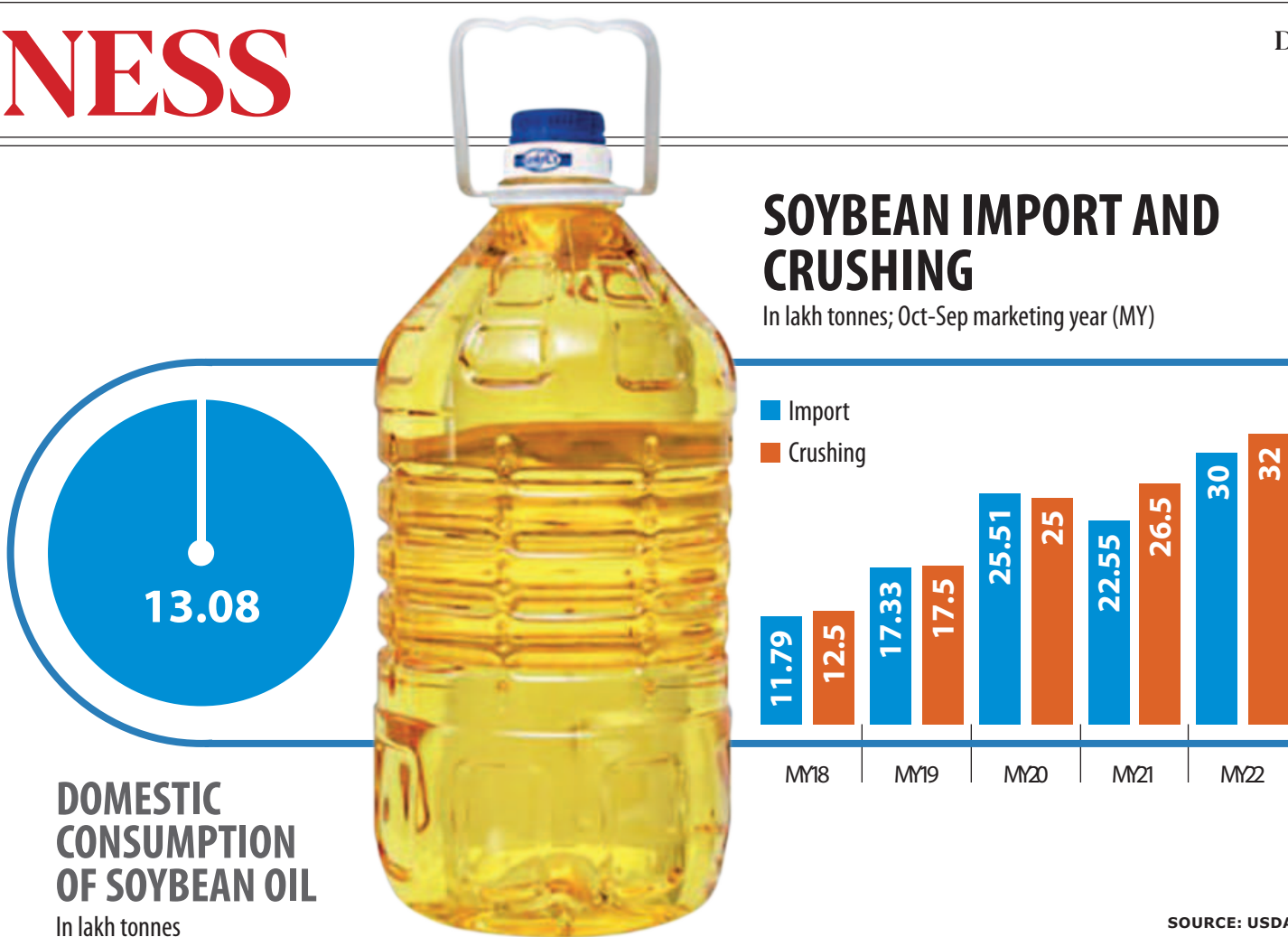
Md Jashim Uddin said the development of the logistics sector is the prime agenda of FBCCI.

The apex trade body is working to submit a 12-year plan to the government for the development of the logistics sector, he added.

On India's trade potential with Bangladesh, the FBCCI president said India could be a major supplier of yarn and cotton to the garment industry soon.

Doraiswami further said a new gate would be opened soon at Petrapol land port to facilitate the movement of trucks.

India is keen to facilitate trade between the two countries and therefore, the issue will get importance in the secretary-level meeting next February, he added.



# Soybean imports to rise for a hike in crushing by local mills

### SOHIEL PARVEZ

Bangladesh's soybean imports will likely grow 33 per cent in marketing year (MY) 2021-22, beginning in October and ending in September, thanks to the increased oilseed crushing capacity of local mills.

The country, which is highly dependent on foreign markets to meet its edible oil requirement, may import 30 lakh tonnes of soybean in MY 2022, up from 22.55 lakh tonnes the previous year, the US Department of Agriculture (USDA) said in its "Oilseeds: World Markets and Trade" report released last week.

The agency forecasts soybean crushing of 32 lakh tonnes in the current marketing year, or 21 per cent higher year-on-year.

"Overall soybean crushing will rise," said Biswajit Saha, director for corporate and regulatory affairs of City Group, which operates the biggest seed crushing mill in Bangladesh.

Apart from City Group, Meghna Group of Industries and Globe Pharma Group of Companies are engaged in crushing oilseed to market soybean oil as well as act as key suppliers of soya meal for the huge animal and fish feed industries.

Bangladesh requires 20 lakh tonnes of soybean meal, 80 per cent of which comes from local seed crushing mills, according to industry operators.

"Local mills have the collective

capacity to crush 52 lakh tonnes of seed annually and all of the seed crush mills process roughly 27 lakh tonnes each year," said Saha of City Group, which produces soya meal and rapeseed cakes from oilseed mainly imported from Latin America.

**Local farmers grew soybean on 78,700 hectares of land to bag 1.35 lakh tonnes of soybean in the 2020-21 fiscal year ending in June, according to data from the Department of Agricultural Extension, which aims to bring 79,000 hectares under cultivation in the current fiscal year.**

Md Shafiul Ather Taslim, finance director of TK Group, said the company's mills, established at Muktarpur, Munshiganj are almost ready.

Crushing at the mills, which have a daily seed pressing capacity of 2,500 tonnes, has been delayed for volatility in the price of soybean in the international market,

"But we expect to start the mill in three months," he added. USDA data showed that Bangladesh's annual imports of soybean oil has been falling due to

increased seed processing by local mills.

The country, which imported 8.59 lakh tonnes of soybean oil in MY 2018, is forecasted to bring in 6.8 lakh tonnes of edible oil in the current marketing year.

However, consumption of soybean oil is projected to rise 7 per cent to 13.23 lakh tonnes in MY 2020-21, up from 12.41 lakh tonnes the previous year.

"We are gradually shifting away from crude oil imports to seed," Taslim said.

City Group's Saha said the rate of value addition for seed crushing is higher for local mills and the export of soymeal last year was a testament to that.

Exports came to a stop after the government slapped a ban in October 2021 in the face of demand from local feed millers, poultry and dairy producers on the grounds of soaring feed prices.

The USDA also projected a recovery in Bangladesh's yearly consumption of vegetable oil to 30 lakh tonnes in MY 2022 from 29.8 lakh tonnes the previous year. The nation consumed 33 lakh tonnes of edible oil in MY 2020, USDA data shows.

Local farmers grew soybean on 78,700 hectares of land to bag 1.35 lakh tonnes of soybean in the 2020-21 fiscal year ending in June, according to data from the Department of Agricultural Extension (DAE), which aims to bring 79,000 hectares under cultivation in the current fiscal year.

## City Bank reappoints Mashrur as MD

### STAR BUSINESS DESK

Mashrur Arefin has been reappointed as managing director and chief executive officer of City Bank Ltd for another three-year term with effect from January this year.

Arefin's reappointment was approved by the bank's board of directors after getting the nod from Bangladesh Bank.

Aziz Al Kaiser, chairman of the bank, confirmed the reappointment, according to a press release issued by the bank yesterday.

Arefin took over the charge of the bank as MD and CEO in January 2019 for a three-year term.

He started his career with ANZ Grindlays Bank as a management trainee officer in 1995.

He also worked for Standard Chartered Bank, American Express Bank, Citibank NA, Brac Bank and Eastern Bank during his 27-year career.



## Secret Recipe opens in Gulshan

### STAR BUSINESS REPORT

Malaysian restaurant chain Secret Recipe yesterday launched a new outlet at Gulshan Avenue in Dhaka.

Prof Shibli Rubayet Ul Islam, chairman of the Bangladesh Securities & Exchange Commission, and Ruhul Alam Al Mahbub, chairman of Fair Group, which is running the chain in Bangladesh under a master franchise, inaugurated the outlet.

"The food business has become an art all over the world. Our GDP has already increased, our standard of living is improving," said Islam in a press release.

"We also want to go world class in the future towards food quality and recipes. Secret Recipe is doing that," he said. The chefs and employees have all been provided training. This will give them better job opportunities in the market abroad, Mahbub said.

Muttasim Daiaan, director of the group, and KSM Mohitul Bari, adviser and head of business at Secret Recipe, were present.

Secret Recipe currently operates more than 440 outlets, across regions, including Malaysia, Singapore, Cambodia, Indonesia, Thailand, China, Brunei, the Maldives and Bangladesh.

**Malaysia-based restaurant chain Secret Recipe currently operates more than 440 outlets across Asian regions**

## Little perks for good firms

### FROM PAGE B1

Financial reports of many companies do not reflect the true earnings of their preceding five years of operation for various ongoing socio-economic factors, he said.

In the new system, a company's valuation is done on the basis of financial variables of the recent five years.

Besides, companies will continue to shy away from the market due to the uniform valuation method for bidding.

In addition, first come, first serve basis is not also justifiable and therefore, pro rata system should be introduced within the process.

Moniruzzaman recommended going back to the previous book on the building process, where the bidding method would be open and competitive.

"It should be a competitive process and if anyone buys it at a higher price, they will pay the price," he said.

"The BSEC should check whether there is any manipulation in the debut trading of an initial public offering (IPO) shares. If it can be checked, then the high price bidding would be stopped added Moniruzzaman, also managing director of IDLC Investments.

Richard D Rozario, president of the DSE Brokers Association of Bangladesh echoed the same, saying the new process would not be favourable for listing well performing conglomerates.

"They deserve good prices so the system should allow eligible investors to bid following many other

valuation processes," he said.

If anyone bids an excessive price, then they should be punished, he said.

However, the whole process should not become a victim to the actions of a few bad eggs.

"The new book building process is almost like a fixed method as the bidding price of all would be almost similar," Rozario added.

Most eligible investors bid for shares of JMI Hospital at Tk 25 due to the almost same valuation method, according to data from the DSE.

In the last bidding, the process ended within a few seconds too. Now, there is an easy solution that is giving shares to all bidders.

The bidding time was three days but those who bid within only 5.44 seconds of the start said they won the bid, the data shows.

Answering a question, Rozario said the stock market regulator did it for good intentions of blocking higher price bidding.

In the new book building method, the BSEC allots the price based on a simple average of a company's asset value and yield analysis.

"The bidder shall not bid exceeding 1.2 times of the value," he said.

Every system has a positive and negative side and the BSEC definitely made the change for good intentions, said Arif Khan, vice chairman of Shanta Asset Management.

The regulator always wants to ensure a reasonable price of a stock in its IPO.

"Now, it can be reviewed

after taking the views of the market stakeholders," Khan said.

"Actually, the rules are for the betterment of people so they can examine it further to see the best fit for the stock market," added Khan, who is also a former commissioner of the BSEC.

In 2020 and 2021, six companies got listed through the book building method with a premium of Tk 608 crore. The companies are Walton, Mir Akhter Hossain and Energypac Power Generation, Lub-rref Bangladesh, Index Agro Industries, and Baraka Patenga Power.

BSEC had fixed the valuation method to prevent overvaluation in the book building system to discover the IPO price.

However, since two methods are prescribed, everyone is bidding in the upper limit to get shares, said Mir Ariful Islam, CEO of Sandhani Asset Management

As a result, in case of a small issue, the allotted share was exhausted in five to six seconds, he added.

To solve this problem, Islam recommends that the BSEC consider more valuation methods and other alternative share distribution/allotment systems.

"All the indicators of a company are considered in new methods so I don't see any problem to find a good price," said BSEC spokesperson Mohammad Rezaul Karim.

The BSEC fixed the method as some of the companies got excessively higher prices in bidding, which ultimately did not

sustain.

So, general investors who bought the shares in the IPO were impacted, he said.

If any multinational company say that any other option may be a better fit for them to come to the stock market, then the BSEC may consider alternatives.

"Likewise, if any stakeholder brings some other valuation process which is good to discover justifiable prices, then the commission can examine it," Karim added.

### Farmers get 10

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crisp and delicious with a lifespan of 145 days.

The trial of Dhan-2 developed by Brac yielded 7.36 tonnes per hectare. The grains are a thin, fragrant and early variant with a lifespan of 139 days.

The six hybrid varieties of paddy were registered and released after reviewing the results of their trial cultivation, the ministry said.

Addressing the meeting, Agriculture Secretary Islam said the hybrid varieties of paddy provide high yields.

So, the agriculture ministry is now focusing on the innovation and cultivation of hybrid varieties to increase production using less land, he added.

Islam went on to say that about 218 new varieties of paddy have already been registered.

"But from now on, importance will be given to the registration of varieties that will benefit farmers in a more quality and long-lasting manner," he said.



## MTB appoints Nazmul as group CFO

### STAR BUSINESS DESK

Mutual Trust Bank (MTB) recently witnessed the appointment of its new group chief financial officer (CFO).

The appointee, Mohammad Nazmul Hossain, had been serving Modhumoti Bank Ltd in the same capacity, according to a statement from MTB.

He previously worked in Prime Bank Limited as acting CFO as well.

He is a Fellow Chartered Accountant of the Institute of Chartered Accountants of Bangladesh who completed his chartered accountancy training from KPMG Bangladesh.



**Ala Ahmad, chief executive officer of MetLife Bangladesh, launches the '360Health', a healthcare mobile app, at the insurer's Motijheel head office in Dhaka yesterday. The new app-based solution will focus comprehensively on prevention of diseases, early diagnosis, access to treatment, ongoing care and financial protection from insurance.**

PHOTO: METLIFE BANGLADESH

## Exporters enjoying

### FROM PAGE B1

The new normal has made people eager to revamp their wardrobes, with two-thirds (67 per cent) of consumers likely to swap out clothes, said Stitch Fix.

On an average, they are looking to replace about one-third of their wardrobe, with 33 per cent planning to replace at least half.

People got a taste for comfort during lockdowns, and they are not about to give it up — almost one-third (31 per cent) would rather take a 10 per cent pay cut than dress up for work every day — but they still want to balance it with style.

Workwear like stretchy blazers, knoven (knit + woven) tops and elastic-

waist bottoms are proving that both are attainable, according to Stitch Fix findings. So long, sweatpants — the 30 per cent year-over-year increase Stitch Fix saw in denim sales suggests denim is back in a big way. Today, clients are turning toward straight leg, wide leg and relaxed styles over skinny jeans.

## BoJ lifts inflation forecast

### AFP, Tokyo

Bank of Japan (BoJ) revised its inflation forecast on Tuesday and adjusted its view of price risks, while leaving its monetary easing policy in place in a nod to lingering pandemic uncertainty.

As prices rise swiftly in other economies, Japan's inflation remains relatively feeble, and still far below the long-held two percent target seen as necessary to turbo-charge

the world's third largest economy. In a quarterly report on prices and the economy, the central bank said it now forecasts inflation of 1.1 per cent for the fiscal year to March 2023, up from its previous forecast of 0.9 per cent.

It also revised up its forecast for the fiscal year to March 2024 to 1.1 per cent from 1.0 per cent, leaving the projection for the current year unchanged. "The projected rate of increase in the CPI (consumer price

index) for fiscal 2022 is somewhat higher, mainly reflecting a rise in commodity prices and the pass-through of that rise to consumer prices," the central bank said.

It declared "risks to prices are generally balanced," adjusting its previous assessment of risk as "skewed to the downside."

"The BoJ revised down its growth forecast for the current fiscal year to 2.8 per cent from the previous 3.4 per cent.



## Toyota yearly production target hit by chip shortage

AFP, Tokyo

The world's top-selling carmaker Toyota said Tuesday it no longer expects to meet its annual production target with operations hampered by the global chip crunch.

A worldwide shortage of microchips – essential components of modern cars – has forced many automakers including Toyota to slow or temporarily halt production.

In September, the Japanese giant lowered the number of vehicles it hopes to make in the year to March 2022 to nine million, down from 9.3 million.

But on Tuesday the company said fresh cuts to a planned bumper factory output next month meant it was unlikely to meet its new target.

“Current demand is very strong, therefore we were aiming for a high February production plan,” Toyota said in a statement.

But “due to the impact of the continuing demand for semiconductors across all industries”, the company said it had reduced its global production target for February to around 700,000 units, some 150,000 fewer than before.

**Toyota lowered the number of vehicles it hopes to make in the year to March 2022 to nine million, down from 9.3 million**

“As a result of the revision, the full-year production forecast for the fiscal year... is expected to be lower than the previous forecast of nine million units,” it said.

Next month's target is still higher than the 668,000 units Toyota made in February 2021, however, as it scrambles to make up for lost output due to the semiconductor shortage and pandemic disruption to supply chains in Southeast Asia.

The targets are for Toyota and Lexus vehicles only, not the auto group's other brands Daihatsu and Hino.

Toyota said it would halt operations for several days next month on 11 production lines at eight of its 14 Japanese plants.

The company offered its “sincerest apologies to our customers and suppliers for the various inconveniences these adjustments may cause”.



Plastic industry will be one of the drivers of export growth if the sector is provided with proper policy support, experts think.

PHOTO: STAR/FILE

## Focus on light engineering, plastic for faster export growth

Says a senior government official

### STAR BUSINESS REPORT

Bangladesh needs to shift its product concentration to sectors like plastics and light engineering so that it can gradually move upwards in its industrialisation pathway, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday.

As Bangladesh will upgrade from being the 43rd largest economy to 25-26th by 2030, greater foreign direct investment may be attracted and the ease of doing business may be gradually improved, he said.

With proper factor analysis, the projected target for 2030 can be upgraded, the secretary said.

After 2026 when Bangladesh will graduate from the least developed country (LDC) category, the government will not extend cash subsidy but provide support in the forms of research, knowledge, logistics and so on, he said.

He also informed that finance ministry has commissioned a study to seek alternatives of subsidies considering the changed situation after the LDC graduation.

Referring different projections of the light engineering sector, the secretary said there is a need for alternative projections



considering the global export of \$700 trillion, economic situation, supportive policies extended by the government and the target of perspective plan to be a developed country.

Ghosh spoke while addressing a workshop to finalise the export roadmaps for “plastic and light engineering sectors” jointly organised by Business Initiative Leading Development (BUILD) and the commerce ministry at the office of the Export Competitiveness for Jobs (EC4J) Project in Dhaka.

He said the plastic and light engineering sectors will be the

increase its light engineering and bicycle export because they secured significant amount of foreign direct investment, he said.

He suggested BUILD to revisit the target considering the global issues and economic development.

At the event, BUILD CEO Ferdaus Ara Begum said plastic toy has got huge potential to be a significant export product along with automobile components, provided that the sector is supported with policies such bonded warehouse facilities and reduced lead time.

Additional Commerce Secretary Hafizur Rahman said: “We have a target to reach export of \$80 billion by the marginal year of export policy 2021-2024.”

“We have roughly 300 plastic recycling factories across the country producing plastic flakes from scraps and exporting around 40,000 tonnes of flakes annually for making yarns,” said Md Monsurul Alam, director of EC4J project.

“We need to stop it and figure out how we can produce yarns from flakes in Bangladesh.”

Shamim Ahmed, president of Bangladesh Plastic Goods Manufacturers and Exporters Association, also spoke.

drivers of export growth if they are provided with proper policy support.

He also wanted to know from the stakeholders about what kind of policy support they need as the government is keen to see higher export growth through relevant policy interventions.

The secretary also endorsed the projection of BUILD for the plastic sector roadmap to be the 40th largest exporter by 2030.

BUILD shared two presentations on the two sectors export roadmaps at the validation workshop.

Viet Nam was able to

## Asean poised for post-pandemic inclusive growth – here’s why

JOO-OK LEE

The Covid-19 pandemic caused global investment activities to fall amid economic uncertainties, lockdowns, supply chain disruptions and postponement of investment by multinational enterprises.

The Association of Southeast Asian Nations (Asean) also recorded that foreign direct investment (FDI) fell to \$137 billion in 2020, down from its highest-ever inflow of \$182 billion in 2019, when it was the largest recipient of FDIs in the developing world.

Despite the decline, the Asean remained an attractive investment destination.

The region's share of global FDI rose from 11.9 per cent in 2019 to 13.7 per cent in 2020 while the intra-Asean share of FDI in the region increased from 12 per cent to 17 per cent.

Additionally, the longer-term trend shows that the value of international project finance in

the Asean has doubled from an annual average of \$37 billion in 2015–2017 to an annual average of \$74 billion in 2018–2020.

And the future looks bright. According to the first-of-its-kind Asean Development Outlook (ADO) report, the total combined GDP of 10 Asean countries in 2019 was valued at \$3.2 trillion, making Asean the fifth-largest economy in the world and well on track to become the fourth largest by 2030.

With a total population of about 700 million people in the region, 61 per cent are under the age of 35 and the majority of young people are embracing digital technologies in their daily activities.

The outlook remains promising, with coordinated pandemic response efforts and several key developments underway in the region.

**Coordinated Pandemic Responses**

Asean members took coordinated actions to respond to pandemic challenges, such as the Hanoi Plan of Action on Strengthening Asean Economic Cooperation and Supply Chain Connectivity in Response to the Covid-19 pandemic.

Members collaborated on the flow of essential goods and enhanced the resilience of its supply chains and sourcing in the region.

This joint response was critical given how the concentration of FDIs in the Asean is connected to global value chain activities or regional production networks that involve intra and inter-firm linkages.

To support recovery and resilience building, the Asean launched the Covid-19 Asean Response Fund and cooperated with external partners on the Asean Centre for Public Health Emergencies and Emerging Diseases to enhance regional health security and sustain Asean preparedness and resilience in the face of public health emergencies.

**Regional Comprehensive Economic Partnership**

The Asean-led Regional Comprehensive Economic Partnership (RCEP) Agreement came into force on January 1, 2022, for Australia, Brunei Darussalam, Cambodia, China, Japan, Lao PDR, New Zealand, Singapore, Thailand and

READ MORE ON B2

**A green future does not only benefit the well-being of the next Asean generation, but is good for Asean economically, boosting the region's competitiveness in attracting green FDIs**

## Ozone pollution costs Asia billions in lost crops

AFP, Tokyo

Persistently high levels of ozone pollution in Asia are costing China, Japan and South Korea an estimated \$63 billion annually in lost rice, wheat and maize crops, a new study says.

While ozone forms a protective layer around the Earth in the upper atmosphere, it is a harmful pollutant at ground level.

It is created by a chemical reaction when two pollutants, often emitted by cars or industry, combine in the presence of sunlight and it can interfere with plant photosynthesis and growth.

The research published Monday harnesses pollution monitoring data from the region and field experiments to show ozone affects Asia's crop yields more than previously thought.

The study's authors said the findings should push policymakers to reduce emissions that produce ozone.

“Air pollution control in North America and Europe succeeded in lowering ozone levels,” said Kazuhiko Kobayashi, a co-first author of the study and professor emeritus affiliated with the University of Tokyo.

“We need to repeat that success across East and South Asia,” he told AFP.

Previous estimates of ozone's effects on staple crops such as rice, wheat and maize have sometimes used varieties that are not prevalent in Asia, or tested plants grown in pots rather than fields.

To get a more accurate picture, the researchers looked at varieties common in the region and did experiments with crops in pots but also in fields.



A farmer shows his drought destroyed corn crop and fields caused by over 70 days without rain, near Bishan town in Southwest China's Chongqing Municipality.

PHOTO: AFP

## Telenor to divest more Myanmar businesses

AFP, Oslo

Norwegian cell phone operator Telenor said Monday it is also selling its stake in a digital payment service in Myanmar following the military coup in the Asian country.

Telenor, which has already announced the sale of its Burmese telecoms subsidiary, will sell its 51 per cent stake in Digital Money Myanmar Limited (Wave Money) for \$53 million (46 million euros), the company said in a statement.

The service allows people to make financial transactions from their mobile phones.

Yoma MFS Holdings, a subsidiary of Yoma Strategic, which is listed on the Singapore Stock Exchange and already owns 44 per cent of Wave Money, will buy the stake and thereby take control of the company.