

Star BUSINESS

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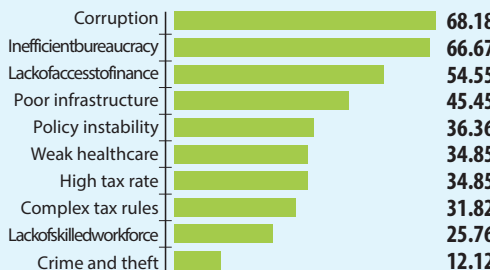


KEY FINDINGS

- **Corruption** major barrier in doing business
- **Inefficient** bureaucracy and limited access to finance other challenges
- **Perceptions** about infrastructure improved
- **Recovery** from Covid-19 to take over 3 years
- **Businesses** need financial incentives, tax cuts
- **Mobile, digital** financial services to improve in future
- **Skills** capital to be another area of focus
- **Data** management could be a major market for businesses

MOST PROBLEMATIC FACTORS IN DOING BUSINESS IN 2021

(Respondents in %); source: CPD



“A more resilient economy can be created through ensuring equal access to opportunities, inclusivity, and improvement of physical, social and environmental conditions.”



Khondaker Golam Moazzem
Research director of CPD

RECOMMENDATIONS

- Take steps against corruption
- Provide better utility facilities
- Prioritise tax collection
- Ensure transparency in public services
- Be cautious about digital inequality
- Ensure low-cost facilities for businesses

Businesses weighed down by graft, inefficient bureaucracy

Finds a survey by the CPD

STAR BUSINESS REPORT

Corruption, inefficient bureaucracy and limited access to finance are among the dominant problematic factors affecting businesses in Bangladesh, according to a new survey of the Centre for Policy Dialogue (CPD).

Of the respondents, 68 per cent complained about high levels of corruption, 67 per cent about inefficient bureaucracy and 56 per cent about the limited access to funds as the major problematic factors in 2021.

In the previous years, corruption would top the list of the barriers standing in the way of businesses by maintaining a huge gap with the second and third factors.

“But factors such as inefficient bureaucracy and limited access to financing have made a stride and narrowed the gap,” said Khondaker Golam Moazzem, research director of the CPD.

He spoke while presenting the “Bangladesh Business Environment: Findings from

Entrepreneurs Perception Survey” at the CPD’s office in Dhaka yesterday.

The think-tank took the executive opinions of 73 high officials of private companies located in Dhaka, Chattogram, Narayanganj, Gazipur and Faridpur from April to July last year.



Inadequate infrastructure, policy instability, weak health system, high tax rate and complex tax regulations were among the top ten problematic factors.

Businessmen’s perception about infrastructure has improved as it was the fourth important factor (45 per cent)

in the survey. It used to be the top or second most problematic factor previously.

This is largely because significant public and private investments in roads, bridges, ports, electricity, gas, rail, and water supply have contributed to the improvement in the infrastructure sector to some

than three years to recover from the impacts of the coronavirus pandemic.

Very few respondents (7.25 per cent) thought that it would be possible to make a turnaround from the losses in less than a year, according to the survey.

The respondents called for additional initiatives to support recovery: financial incentives (17 per cent), tax reduction (16 per cent), control of corruption (9 per cent), easy access to credit (8 per cent), improving healthcare and mass vaccination were among the recommended measures.

As part of the recovery mechanism, businesses have adopted various strategies with 28 per cent of them having taken cost-cutting measures, which included layoffs.

Some 22 per cent are working with new buyers, 19 per cent are investing to expand, 16 per cent are exploring new markets, and 15 per cent are manufacturing new products.

The entrepreneurs have identified major areas for growth for businesses in the

next decade.

Some 67 per cent of executives who were surveyed indicated that Bangladesh’s major market in the next 10 years would be digital financial services. Ultimately, Bangladesh’s digital system will significantly improve.

Some 53 per cent indicated that skills capital would be another important area of focus, while half of the respondents indicated data management could be a major market for businesses.

Other potential growth areas would be plastics recycling, re-skilling, care, and unemployment insurance.

The businessmen’s perception towards institutions has not improved during the post-Covid period (2021) compared to the pre-Covid year of 2019. A majority of institution-related indicators are yet to reach the pre-crisis level, the survey found.

For example, the government is less responsive to changes and is unable to ensure a stable policy environment.

READ MORE ON B3

Banks seek time to implement entry-level pay

STAR BUSINESS REPORT

The Bangladesh Association of Banks (BAB) and Association of Bankers, Bangladesh (ABB) yesterday requested Bangladesh Bank to extend the deadline for implementing the new rate of entry-level salaries recently fixed by the banking regulator for private banks.

Leaders of the BAB, an organisation of private bank sponsors, and the ABB, a platform of managing directors of lenders, made the call in a meeting with Bangladesh Bank Governor Fazle Kabir at the central bank headquarters in Dhaka.

Md Nazrul Islam Mazumder, chairman of the BAB, told journalists that they had informed the banking regulator that it would be difficult for the lenders to implement the BB instructions by March 1.

“We have to discuss the issue further with the central bank, after which the BAB (and ABB) may ask the BB to reconsider the notice,” he said.

READ MORE ON B3

DSE launches project to go paperless

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has initiated a project as part of its efforts to go paperless in order to reduce hassles and cut the expenses for the bourse and its stakeholders.

The project will cost Tk 47 lakh, and the premier exchange of Bangladesh will receive service from Indian business solution provider Addteq under the initiative.

“The DSE is digitised but not digitalised, so we are now working to do that. Making the bourse paperless is aligned with it,” said Tarique Amin Bhuiyan, managing director of the DSE, at the launching event at the exchange in the capital.

“We are going to be paperless eventually. Now, it has started and I hope the full paperless activities will be seen within the current year.”

Thanks to the paperless initiative, anyone will be able to work from remote locations, and the works for the DSE and its stakeholders will be easy, hassle-free and time-saving, Bhuiyan added.

DSE Chairman Md Eunusur Rahman said he heard that the DSE was 100 per cent automated, but in reality, it was not.

READ MORE ON B3

STOCKS		
	DSEX	CSCX
	Flat 7,032.44	0.20% 12,371.97

COMMODITIES		
	Gold	Oil
	\$1,843.15 (per ounce)	\$86.89 (per barrel)

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	85.05	95.48	114.06	13.20
SELL TK	86.05	99.28	117.86	13.88

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	0.64% 57,858.15	0.44% 27,011.33	0.73% 3,271.57	0.66% 3,455.67

High engine capacity bikes see faster sales

JAGARAN CHAKMA

The demand for motorcycles with a higher engine capacity is growing among bike enthusiasts in Bangladesh as these models are becoming increasingly safer and cheaper.

The demand for motorcycles with a cubic capacity (cc) of 150 achieved a 30 per cent growth last year while that of 125cc models grew only 13 per cent.

At the same time, 100cc to 110cc bikes witnessed 16 per cent growth in demand after the market started recovering from coronavirus-induced shocks, according to market players.

But in terms of market share, lower capacity engines still rule the roost with roughly 55 per cent more sales.

READ MORE ON B3



A total of 375,252 motorcycles were sold in the country in 2021, up 21 per cent compared to that a year ago, according to data from the Bangladesh Road Transport Authority.

PHOTO: PRABIR DAS

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Fearful Wall Street awaits Fed’s next moves on inflation



The queues outside Zara outlet this week will soon disappear as people are keeping much higher savings in reserve.

PHOTO: AFP

AFP, Washington

The Federal Reserve's first policy meeting of the year hasn't even concluded but Wall Street already is unhappy, wary of what central bank chief Jerome Powell might say on Wednesday about his inflation-fighting plans.

At the conclusion of the two-day meeting, the Federal Open Market Committee (FOMC) is expected to further signal how it will act to stifle the wave of price increases hitting country's families and businesses.

In the run-up to the announcement, major New York stock indices have seen days of tumultuous trading and big losses.

The trend was confirmed on Tuesday when Wall Street closed lower again, further proof that investors are dreading the likely end to the central bank's easy money policies, including zero interest rates and the massive bond-buying program which helped the economy survive the pandemic.

The bond purchases are scheduled to end in March and Powell and other officials have strongly suggested they

will raise rates then, and potentially twice more this year as the Fed looks to ensure the seven percent surge in consumer prices that occurred in 2021 – the highest in nearly four decades – does not repeat.

"The Fed has done everything but bash investors over the head with a sledgehammer to warn them that rate hikes are coming," economist Joel Naroff said.

"That suddenly everyone is worried about rate hikes proves another of my favorite sayings: 'Markets may be efficient, but that doesn't mean they are rational.'"

The Fed is the world's most influential central bank, and its policies have implications for lending globally.

Top IMF official Gita Gopinath on Tuesday praised the Fed's signaling of its policy change, but warned, "This is going to be a challenge for central bankers this year to be able to communicate the transition to tighter monetary policy, and they should handle that with care."

While the pandemic caused a widespread economic downturn in the United States, the Fed's moves to ease

lending conditions and ensure liquidity kept flowing through the economy helped Wall Street post big gains, with the broad-based S&P 500 rising 27 per cent last year.

But while the central bank hoped to keep its lending rate at zero for longer to ensure marginalized groups benefit from the recovery, persistently high inflation throughout last year forced Powell and others to signal rate hikes would come sooner than they initially expected.

The causes driving inflation are myriad, from global issues like supply chain snarls and the semiconductor shortage to more domestic issues like government stimulus policies that have fattened Americans' wallets, while the pandemic kept spending focused on goods rather than services.

The central bank is deliberately opaque about what exactly it may do, but does give strong signals.

If rate hikes are coming, Chief US Financial Economist at Oxford Economics Kathy Bostjancic said the Fed will indicate on Wednesday that the economy has reached "maximum employment," one of its two mandates,

along with stable inflation.

"The path for rate hikes will depend critically on the future pace of inflation and the intersection with wage growth," she said, predicting inflation would cool in the second half of the year, and the Fed will raise rates by a quarter of a percent each quarter.

"The risk is for a faster pace of Fed tightening given the stickiness of inflation," she added.

How markets react if policy tightens as expected remains to be seen, but the last few days have not been encouraging.

Last week, the Nasdaq, which is rich with tech stocks that boomed thanks to the Fed's easy money policies, lost seven percent, while on Monday, the S&P 500 oscillated wildly, sinking 3.5 per cent before ending trading with a slight gain.

Chaos in the markets isn't a good look for the Fed, Naroff said, and further selloffs may sway Powell and his colleagues into moving slower with rate hikes.

"The markets may dictate what the Fed does once again, and if that happens, it is too bad," he said.

Aavishkaar, KfW to launch \$250m ESG fund

STAR BUSINESS REPORT

Aavishkaar Capital and German development bank KfW are set to launch the \$250 million Environmental, Social and Governance First Fund to help emerging mid-capital-based businesses scale in Africa and Asia.

So, mid-level Bangladeshi exporters can also reap its benefits, according to Aavishkaar Capital. The fund will be rolled out today.

KfW, a German state-owned investment and development bank, is the provider of the fund, while Aavishkaar Capital, a global pioneer in taking an entrepreneurship-based approach to scaling businesses for impact, is the fund manager.

Leveraging on the global drive for sustainability and equality, the Fund is focused on investing in Africa and Asia with the mandate of generating superior ESG outcomes and commercially viable financial returns alongside positive social impact, Aavishkaar Capital said in a press release.

The fund will seek to provide transformational capital to improve their ESG standards so that they can capitalise on the increasing consumer preference for ecologically-conscious, gender-equal and purpose-driven businesses and meet increasing demands on corporate due diligence in the course of regulatory measures in the European market.

The Fund is in general open to all sectors but focuses on those with high exports towards Europe, which is Bangladesh's biggest export destination.

"With our investment of 50 million euros, we want to help set up a fund that demonstrates that increased respect for ESG can be a viable investment and business model," said Anosha Wahidi, of the Federal Ministry for Economic Cooperation and Development of Germany.

Aavishkaar Group Founder and Chairman Vineet Rai said the fund takes forward Aavishkaar Group's vision to "Bridge the Opportunity Gap for the emerging 3 Billion" with its focus on ESG, Africa, Asia, flexible instruments, gender and climate change.

Jan Martin Witte, director of KfW, said, "We believe in the ability of purpose-driven, responsible capital to be transformative while creating attractive investment returns."

Ashish Patel, managing partner of the ESG First Fund of Aavishkaar Capital, said, "Our focus is to help businesses scale by allowing them to participate in the significant growth of consumer demand for socially-conscious products."

Mid-level Bangladeshi exporters can reap benefits from the Environmental, Social and Governance First Fund to be rolled out today. The fund will help emerging mid-capital-based businesses in Africa and Asia

Horse-drawn carts key

FROM PAGE B4

Coachman of a horse-drawn cart at Char Katamari in Lalmonirhat sadar upazila, said they ply their carts within a 19 kilometres area in the char.

"We transport goods from the river bank area and connect to the local market on the char area," he said.

Around 12 to 15 years ago, goods were transported on horseback. Buffalo carts were used at that time too but horse-drawn carts were installed instead of buffalo as it can move slowly on the char land,' Rahman said.

A grocery wholesaler at Chilmari Bazar of Chilmari upazila said he sends different goods weighing 100 to 120 maunds to 15 or 16 local businessmen

in char area markets every day.

At least 60 to 65 wholesalers in the Chilmari market send goods to and from char traders every day.

"Traders from char areas get these goods transported by horse-drawn carts," he said, adding that Chilmari Bazar is situated around 400 metres away from Brahmaputra river.

Dr Abdul Hai Sarker, district livestock officer in Kurigram, told the Daily Star that it is an old tradition to use horses to transport goods in char areas.

"Horses that are used for handling horse-drawn carts are trained well and these horses take additional feed," Abdul said.

"The trained horses are habituated to move better on the char area, and of course they need rest every hour," he said.

A grocery wholesaler at Chilmari Bazar of Chilmari upazila in Kurigram told the Daily Star that he sends different goods of 100-120 maunds to 15-16 local businessmen in the char area markets every day.

At least 60-65 wholesalers situated in Chilmari market send goods to and from char traders every day.

"The traders from the char areas get these goods transported by horse-drawn carts," he said, adding that Chilmari Bazar is situated around 400-metre away from Brahmaputra river.

GM to spend \$7b to build electric auto capacity

AFP, New York

General Motors announced Tuesday plans to invest \$7 billion in the US state of Michigan as it converts assembly plants and builds batteries for the transition to electric vehicles (EV).

Calling the announcement "the largest single investment in GM history," the auto giant said the push in its Midwestern home state would create 4,000 new jobs and retain 1,000 more positions.

GM has previously projected that it will double revenues by 2030 as it ramps up EV production. The company expects 50 per cent of its North American capacity to be EVs by that date. "Today we are taking the next step in our continuous work to establish GM's EV leadership by making investments in our vertically integrated battery production in the US, and our North American EV production capacity," said Chief Executive Mary Barra.

"These investments also create opportunities in Michigan for us to bring our employees along on our transition to an all-electric future."



Md Jahangir Hossain, head of LankaBangla Foundation, a concern of LankaBangla Finance Ltd, recently distributed bicycles among underprivileged female students of different schools of Ranipukur Union at Birol upazila in Dinajpur under "Shikha Bicycle Distribution Programme 2022". Hafiz Al Ahad, head of human resources division at LankaBangla Finance, and Muhammad Habib Haider, head of general infrastructure service, were present.

PHOTO: LANKABANGLA FINANCE

NBR’s role big in fighting

FROM PAGE B4

Sectors that bear potential in attracting new investments should be more active in identifying those new investors, said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry.

All sectors have to act in a way such that both investment can be attracted and revenue collected, he said.

"When the NBR makes a law or policy, we hope that the NBR will discuss it with us so that no problem arises in its implementation," he added.

"We want the country's

tax-GDP ratio to increase and development to take place so that we can do business properly.

All of us in the private sector want to work together with the government," he said.

"In that case, there needs to be a win-win situation. I want to create jobs not only as a businessman, but also as a citizen of Bangladesh," he added.

Md Masud Sadiq, member for VAT implementation and IT, presented the keynote paper.

The NBR awarded 17 officers and employees working in Bangladesh

Customs and VAT a "World Customs Organization Certificate of Merit".

Bangladesh Petroleum Corporation, Economic Reporters Forum and Benapole Customs also achieved this honour for playing an important role in trade facilitation.

Khalid Mahmud Chowdhury, state minister for shipping, Shehzad Munim, managing director of British American Tobacco Bangladesh, and Russell T Ahmed, President of the Bangladesh Association of Software and Information Services, were present among others at the event.

Dubai largest bank profits jump in 2021

AFP, Dubai

Dubai's largest bank, Emirates NBD, announced Wednesday that its net profits jumped in 2021, as the economy of the Gulf city state rebounded following a slump due to coronavirus.

The bank, the second largest lender in the United Arab Emirates, said its net profits rose 34 per cent to \$2.5 billion, from \$1.9 billion in 2020.

It said in a company statement that the bank has set aside \$1.6 billion in impairments, covering loan losses, a 26-percent decrease from last year, due to improving economic conditions.

"Emirates NBD's profits grew 34 per cent in 2021 demonstrating the resilience of the Group's diversified business model," said chairman Sheikh Ahmed bin Saeed Al Maktoum.

"Emirates NBD continued financing the real economy and was rewarded as economic growth rebounded, helped by government economic stimulus packages."

Microsoft’s earnings rise on cloud computing

AFP, San Francisco

Microsoft beat market expectations Tuesday with strong quarterly performance in cloud computing and software, still benefitting from the pandemic's online shifting of work, play, shopping and learning.

The US tech colossus, which announced last week a blockbuster deal to buy gaming giant Activision Blizzard, said profit jumped to \$18.8 billion in the final three months of last year.

"Digital technology is the most malleable resource at the world's disposal to overcome constraints and reimagine everyday work and life," CEO Satya Nadella said, in announcing revenue of \$51.7 billion.

Microsoft investments include pouring money into the booming video game market and by extension the metaverse, the virtual reality vision for the internet's future.

On an earnings call, Nadella pointed to the tens of millions of people playing games such as Forza, Halo and Minecraft, many investing in "avatar" proxies for online worlds, saying that the metaverse is a natural extension.

Microsoft is also meshing virtual gathering components with non-game offerings, such as Teams online collaboration software, according to executives.

"We feel very well positioned to be able to catch what I think is essentially the next wave of the internet," Nadella said on the call.

The Redmond, Washington-based tech company last week announced a landmark deal to buy scandal-hit "Call of Duty" maker Activision for \$69 billion.

This would be the largest buyout ever for Microsoft, well ahead of LinkedIn in 2016 for \$26.2 billion.

Court bars RSRM MD from leaving country

STAFF CORRESPONDENT, Ctg

The Money Loan Court in Chattogram in a ruling yesterday barred the managing director of Ratanpur Steel Re-Rolling Mills (RSRM) from leaving the country in a case filed over the company allegedly defaulting on a Tk 312.82 crore loan.

The ruling was issued on Maksudur Rahman based on a case filed by the Laldighi branch of Janata Bank on March 29, 2018.

Justice Mujahidur Rahman issued the ruling in response to an appeal.

As many 10 cases have been filed so far against the RSRM over cheques being dishonoured and non-repayment of loans worth Tk 1,500 crore taken from different financial institutions, including banks.

The RSRM took the loans between 2010 and 2015 and the cases were filed between 2017 and 2019 as the company did not repay any of the loans, said court sources.

RSRM took the loans between 2010 and 2015 and the cases were filed between 2017 and 2019 as the company did not repay any of the loans

Advocate Maruf Chowdhury, legal advisor of Janata Bank, told The Daily Star, "I could not attend court today (Wednesday) due to illness. However, I have learned that the court has banned the MD of RSRM from leaving the country."

"The appeal was made out of fear that the accused would flee without paying the bank dues," he added.

Maksudur Rahman's mobile was found to be switched off when this newspaper attempted to reach him for comments last night.

The defendant's lawyer, advocate Raliquel Islam, told The Daily Star, "The next step will be taken following talks with my client."



Soft toys put on display for wholesale in the capital's Chawkbazar, home to a couple of hundred such shops catering to the entertainment of children. With an outer fabric sewn with flexible materials stuffed inside, "plushies" are not only imported but also manufactured nowadays on a small scale in the country. Thanks to growing purchasing capacity, they can retail for some three to four times the wholesale prices. The photo was taken yesterday.

PHOTO: RASHED SHUMON

Economy showing signs of a turnaround

Finance minister tells parliament

STAR BUSINESS REPORT

Although uncertainty prevails over the country's economy with regard to both global and domestic contexts, Finance Minister AHM Mustafa Kamal yesterday portrayed a rosy picture of it in parliament.

Presenting a report on the implementation progress of the national budget for 2021-22 in the fiscal year's first quarter from July to September, Kamal said despite the pandemic's effects, the country's macroeconomy has started to turn around.

He hoped that the 7.2 per cent growth target for gross domestic product (GDP) would be achieved this fiscal year.

The GDP growth rate, that marked a fall to 3.45 per cent in fiscal year 2019-20 due to the pandemic, rose to 5.43 per cent last fiscal year (2020-21) thanks to different initiatives taken by the government, he said.

Hoping to keep the inflation rate within 5.3 per cent, the minister said the monetary policy has been formulated keeping these targets in mind.

"Though there is a possibility of inflation due to rise of fuel price in the global market and eventual price hike in the domestic market, I hope that the inflation rate would be at tolerable limit by the end of this year," he said.

The finance minister hoped that the country's per capita income would increase to \$2,785 in the current fiscal year of 2021-22. In 2020-21, per capita income stood at \$2,227.

Due to the sincerity and efforts of the pro-poor government, both the poverty and extreme poverty rates have come down to 20.5 per cent and 10.5 per cent respectively in 2020, said Kamal.

He informed that remittance inflow in the country was at \$5.41 billion in the first quarter of the fiscal year, which was 19.44 per cent less than that in the same period of the previous fiscal year.

Mentioning that labour export had resumed, including to the main market of Saudi Arabia, he hoped that remittance inflow at the end of the current fiscal year would reach levels similar to that of the

previous year.

Kamal said activities were underway through Dhaka Mass Transit Company to start passenger transport in the Uttara Agargaon section of MRT (Mass Rapid Transit) Line-6 by December 2022.

He reiterated his hope for the Padma bridge to be opened for vehicular movement by June this year.

As a whole, all the indicators of the macroeconomy including growth in GDP, per capita income as well as export are in the positive mode in the first quarter of the current fiscal year, said the minister.

According to the report submitted by the minister yesterday, total budgetary spending in the first quarter of the current fiscal year had reached Tk 65,739 crore, rising by 1.48 per cent year-on-year.

In the same period in the last fiscal year of 2020-21, total budgetary spending had decreased by 4.83 per cent.

Around 10.89 per cent of the total budget of Tk 6,03,680 crore allocated for this fiscal year was implemented in the first three months till September, it stated.

US says chips shortage to persist, will review prices

REUTERS, Washington

The US Commerce Department said Tuesday a global survey of semiconductor chip producers and users shows a shortage will persist, sparked primarily by wafer production capacity constraints.

The voluntary survey of 150 companies last fall in the supply chain confirmed "there is a significant, persistent mismatch in supply and demand for chips, and respondents did not see the problem going away in the next six months."

Commerce Secretary Gina Raimondo told reporters that the department "in a few instances didn't really get what we needed and we're going to go company by company and do personal engagement

and get what we need."

Raimondo said in November that she had spoken to "all of the CEOs in the supply chain - including Samsung, TSMC, SK - and all of the CEOs have pledged to me that they will be submitting robust and complete data flows to us."

Some companies in Asia and governments had earlier expressed concern about the data request. Raimondo reiterated that the department could invoke its legal authority to get responses.

Taiwan's Economy Ministry, responding to the survey, reiterated that Taiwanese companies are working hard to produce chips and coordinating with "important international business partners" to strengthen supply chains.

Businesses weighed down

FROM PAGE B1

"Tax structure needs major revision focusing on the equity of different categories of people," said the CPD.

As part of the recovery initiative, businessmen requested a reduction in tax rates that the government may consider in the upcoming national budget.

The CPD said the National Board of Revenue and Bangladesh Trade and Tariff Commission should jointly review the fiscal expenditure incurred for providing fiscal incentives and subsidies to different categories of enterprises and activities.

Businessmen are concerned about the quality of services of law enforcement agencies with 57.5 per cent perceiving that the police service is yet to be relied upon to enforce

law and order efficiently.

About 63.9 per cent of businessmen opined that there is a dearth of transparency in the services provided by law enforcing agencies.

The government should handle the sanction with utmost importance as businesses are concerned, said Moazzem referring to the US sanctions on Rapid Action Battalion and some of its current and former officials.

If the sanction affects the transactions in businesses, it will be a major factor for the future business environment, he said.

The think-tank said Bangladesh needs to be cautious about digital inequality by ensuring easy access and low-cost facilities for all categories of people, including marginalised, women,

youth, and small-and-medium entrepreneurs.

"Necessary fiscal and budgetary support should be made available to expand digital services across the board."

The government needs to follow market-based approaches in the case of administered utility and energy markets, the economist said.

"Institutions such as the Bangladesh Competition Commission need to be proactive and have the capacity to identify the problems of dominant market players to ensure competitive behaviour."

Business reporting of human and labour rights, environmental compliance and corporate practices needs to be promoted, he added. Fahmida Khatun, executive director of the CPD, also spoke.

Banks seek time

FROM PAGE B1

The BAB has not completely understood the circular as of yet as "there are some gaps" in it, he said.

But Mazumder did not clarify what the "gaps" were in the notice released by the central bank on January 20.

He, however, said Bangladesh Bank has assured the BAB that it would take the issue into consideration with utmost importance.

Md Serajul Islam, spokesperson and an executive director of the central bank, confirmed that the BAB had requested the BB to extend the deadline.

The BB has assured the organisations that it would give thought to whether the deadline can be extended, he said.

In the notice, the BB stipulated that the entry-level salary of assistant officer, trainee assistant officer, trainee assistant cash officer or officials at an equivalent level would

be a minimum Tk 28,000 during the probation period.

The total salary of an entry-level official, including basic pay, will have to be at least Tk 39,000 a month after the end of the probation period, it added.

Up until now, there has been no uniform salary structure for entry-level officials.

The central bank also mentioned that the opening salary of support staff, messengers, cleaners, security guards or equivalent positions, should be at least Tk 24,000.

As per the latest central bank notice, no bank will be allowed to sack or ask any employee to resign or postpone promotions over failures to attain deposit mobilisation targets.

In yesterday's meeting, senior officials of the central bank, chairmen of different banks and leaders of the ABB were also present.

DSE launches project

FROM PAGE B1

"With the direction of the new commission of the stock market regulator, we are working to digitalise the bourse and the situation has improved significantly," he said, adding all stakeholders will reap the benefits.

"But, we have a long way to go, especially to bring back confidence among investors."

Rahman said the country has made impressive strides in many sectors, but it still lags in the insurance sector and

the stock market. People still don't have full faith in the sectors.

Saifur Rahman, an executive director of the Bangladesh Securities and Exchange Commission, Salma Nasreen and Shakil Rizvi, DSE directors, Richard D' Rozario, president of the DSE Brokers Association of Bangladesh, Md Sayedur Rahman, president of the Bangladesh Merchant Bankers Association, and Ziaur Rahman, president of the Capital Market Journalists' Forum, also spoke.

High engine capacity

FROM PAGE B1

"In terms of sales growth, the demand for larger cc motorcycles was high in 2021 compared to other segments," said Subrata Ranjan Das, executive director of ACI Motors Ltd, the local distributor of Yamaha.

The sale of higher engine capacity motorcycles grew thanks to their reduced prices as well as a reduction in registration fees.

Customers prefer 150cc motorcycles due to comfort and extra safety features, Das said.

Besides, customers can now purchase a 150cc motorcycle at the same price as a 125cc bike. The price of a 125cc bike is around Tk 2 lakh while 150cc models basically cost the same.

"The economy returned to normalcy in 2021 and so, sales were better than in 2020," he added.

The executive director of ACI Motors went on to say that, barring any other unforeseen economic disaster, the demand for motorcycles will grow by 20 to 25 per cent annually until 2030.

A total of 375,252 motorcycles were sold in 2021, up 21 per cent compared to 311,016 units the year before, according to data from the Bangladesh Road Transport Authority (BRTA).

On average, monthly sales stood at about 31,271 units in 2021 while it was 25,918 units in 2020.

Market players are optimistic about achieving the growth projection by overcoming the challenges posed by the pandemic, which encouraged people

to invest in manufacturing and assembling in Bangladesh.

Market insiders say around 5 lakh motorcycles were sold in 2019, up 25 per cent from 4 lakh units the previous year, but sales fell in 2020 due to the impact of Covid-19.

"All brands of motorcycles achieved good sales growth in 2021 and we are hopeful to continue this trend this year," said Hafizur Rahman Khan, president of the Motorcycle Manufacturers and Exporters Association.

He is optimistic about the market's development as the government has given a 20-year tax holiday for the automobile sector to help it grow.

Nine firms -- Japanese brands Honda, Suzuki and Yamaha, India's Bajaj, TVS and Hero, and Runner Automobiles of Bangladesh, Atlas Bangladesh Limited, and Grameen Motor -- have made the country almost self-sufficient in motorcycle manufacturing and assembly in the fast-growing market.

Abdul Matlub Ahmad, chairman of Nitol Niloy Group, which assembles Hero-branded motorcycles, said the market demand for 100cc to 110cc bikes is still high as people purchase motorcycles to meet necessity instead of passion.

Shah Muhammad Ashequr Rahman, head of finance and commercial at Bangladesh Honda Pvt Ltd, said the market share of lower capacity engines is higher compared to that of 125cc and 150cc bikes.

Banks asked to make business continuity plan

STAR BUSINESS REPORT

Banks and payment service providers have been asked to prepare business continuity plan (BCP) so that their operations remain unhurt during any future economic disasters like the ongoing pandemic.

The central bank made the call through a notice by taking into consideration the effects of the ongoing third wave of the coronavirus pandemic.

Banks, mobile financial services (MFS) providers, payment service providers (PSPs) and payment system operators (PSOs) will have to provide all kind of services under any circumstance by drawing up the BCP.

This will help lenders and the other service providers to run their branches and other operations with limited workforces.

They will have to encourage clients to settle their financial transactions through mobile apps, e-wallet and cards having the technology with the near field communication.

Banks and MFS providers will have to ensure keeping adequate cash at their respective automated teller machines and agent points so that clients can withdraw their required fund at any moment.

Banks, MFS providers, PSPs and PSOs have also been instructed to strengthen their IT security as the risk of cyberattack usually increases on 'special situations'.

In addition, they will have to aware their clients about the health protocols declared by the government.

EBL to issue Tk 500cr subordinated bond

STAR BUSINESS REPORT

Eastern Bank has decided to issue its third subordinated bond, worth up to Tk 500 crore for seven years, in a bid to enhance the company's capital base.

The bond would be non-convertible, non-listed, and redeemable, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

Banks, financial institutions and corporates are increasingly raising funds through the issuance of bonds and sukuk in recent years.

From July to December in 2021, 16 companies got approval to raise funds of Tk 8,826 crore bonds and sukuk, according to data from the Bangladesh Securities and Exchange Commission (BSEC).

In most cases, banks and non-bank financial institutions are issuing bonds for regulatory purposes while other corporates find them as new tools for fundraising, according to a BSEC official.

"The BSEC is working with a great focus to strengthen the bond market and the entrepreneurs will get its benefits," he said.

Stocks of EBL traded at Tk 38.50 at the DSE yesterday. Its paid-up capital was Tk 953 crore, market data showed.

Singapore state fund buys UK tech firm for \$7b

AFP, London

Singapore's state investment fund Temasek is acquiring a British tech firm that tests materials in a wide range of industries to ensure they are sustainable, in a deal reportedly worth \$7 billion.

Temasek agreed on Tuesday to buy Element Materials Technology from private equity firm Bridgepoint, saying the deal would enable it to offer customers more environmentally-friendly product solutions.

"We are pleased to continue our relationship with Element as it works with its customers and explores greater opportunities to be part of their decarbonisation and sustainability journeys," said Uwe Krueger, who is Temasek's head of industrials, business services, energy and resources.

Global operator Element Materials assesses cutting-edge technology across a wide variety of sectors, including aerospace, connected technology, life sciences, energy transition and transportation. The group on Tuesday said it was "well positioned" to accelerate its growth under Temasek's ownership.

Element chief executive Jo Wetz noted the group had increased staff numbers and locations tenfold in the past decade.

Horse-drawn carts key mode of transport in char areas



People living and working in char areas of Kurigram and Lalmonirhat are increasingly turning towards horse-drawn carts as a solution to their need for transportation. Here, a few carts are seen trudging through sand and shallow pools of water in Fuluar Char of Kurigram’s Chilmari upazila. The picture was taken recently.

PHOTO: S DILIP ROY

S DILIP ROY

Although horse-drawn carts are a thing of the past in most parts of the world, these outdated buggies still facilitate movement across 450 char areas in Kurigram and Lalmonirhat.

There are 20,000 horse-drawn carts that transport goods and carry passengers through char areas of the Brahmaputra, Teesta, Dharla, Dudhkumar and Gangadhar rivers, where a lack of paved roads makes it difficult for heavy vehicles to navigate the region.

So, traditional horse-drawn carts are mainly used to this end and as such, many local families depend on these waggons for a source of income.

“I carry passengers on boats across Brahmaputra river when there is sufficient flow during the monsoon season and then work as a coachman in the char areas for the rest of the year,” said Nazrul Mandal of Astomir char in Kurigram’s Chilmari upazila.

“We transport agricultural products from char areas to the mainland and also bring back the necessary goods. Sometimes people use our waggons to carry ailing people to hospitals,” he added.

Around 30 to 50 horse-drawn carts and carriages are used daily to transport goods in each char area.

“We get Tk 30 to Tk 35 for transporting one maund (about 40 kilogrammes) of goods for four to five kilometres. We can transport up to 15 maunds of goods on each trip,” said Idris Ali, a coachman of Char Karai Barishal in Chilmari upazila.

“On average, I earn Tk 1,200 a day and

half of it is spent on buying the horse’s feed,” he added.

Each coachman tends to have at least two to three horses in their stable.

“I made a horse-drawn cart using old rings, tyres and tubes of motor vehicles, wood and bamboo, spending around Tk 60 thousand,” said Mansur Ali, a coachman of Char Gobordhan in Lalmonirhat’s Aditmari upazila.

After building his buggy, Ali then



bought a pair of horses for Tk one lakh. After that, he started using it to carry people and goods through the sandy char areas.

“A horse-drawn cart costs around half as much as a bullock cart and can move on the sandy char land much easier than its bull-driven counterpart,” Ali added.

Coachmen see satisfactory earnings

during the dry season in November to June as people have to use horse-drawn carts to transport goods as boat services are halted when river levels drop, according to Atiar Rahman, a coachman of Char Shiberkuti in Lalmonirhat sadar upazila.

He went on to say that the use of horse-drawn carts has been increasing day by day, providing more job opportunities for locals.



Jahangir Ala, a grocery store owner in the remote char Shakha in Kurigram’s Chilmari upazila, told the Daily Star that he brings goods in from the mainland by boat between July to October but when the river dries up in November to June, he plies horse-drawn carts for bringing goods.

If the horse-drawn carts were not available, it would not be possible to run

businesses promptly in char areas.

“So, our business policy in the char area is dependent on horse-drawn carts,” he said.

Surendra Nath Sarker, a businessman from Ulipur upazila town in Kurigram, told the Daily Star that they purchase agri products that are produced in char areas.

“So, horse-drawn carts in char areas have become a part of our business,” Sarler said.

Kuddus Bapari, a farmer of a remote char called Parbati in Kurigram sadar upazila, told the Daily Star they hire horse-drawn carts to transport agri products to markets in the mainland to sell them at a fair rate.

“Some years ago, when there was no facility for horse-drawn carts in the char area, we had to use bullock carts but it was not easy. We even carried some goods by hand,” he said.

Sirajul Islam, a char farmer at Char Sardob in Kurigram sadar upazila, said that many char people, failing to afford the fare of horse carts, still carry goods themselves, walking miles on end in the sandy land.

“Char people have urged the government to arrange free transport on broughams for ailing and elderly people as well,” he added.

Fedous Rahman, district cooperative officer in Kurigram, told the Daily Star that horse-drawn carts are playing an important role in carrying goods and passengers in char areas.

The arrangement of easy-term loans from banks would encourage more people to buy or make horse-drawn carts businesses.

READ MORE ON B2

NBR’s role big in fighting money laundering

Agriculture minister says

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has a big role to play so as to ensure that businesspeople can in no way launder money abroad, Agriculture Minister Muhammad Abdur Razzaque said yesterday.

Digitalisation can play a big part in this and though it has been adopted in many areas of customs, the scope is there for further incorporations, he told a seminar organised by the NBR at InterContinental Dhaka marking International Customs Day.

NBR Chairman Abu Hena Md Rahmatul Muneem expressed hope on bringing a change to any negative mindset general people may bear towards customs.

Once customs was considered only a mode for revenue generation but now it is playing a big role in the development of the local industry, he said.

“There are various challenges arising for customs. We are going to solve them and move forward. We will improve in all areas where we are lagging behind. We have to take the economy forward by generating more revenue,” he added.

Bangladesh yesterday observed International Customs Day as a member country of World Customs Organization with the theme “Scaling up Customs Digital Transformation by Embracing a Data Culture and Building a Data Ecosystem”.

READ MORE ON B2

Two Monno entities see profit drop

STAR BUSINESS REPORT

Two out of three listed companies of Monno Group reported lower earnings in the first half of the financial year owing to increased expenses.

Monno Fabrics said its earnings grew 150 per cent year-on-year in the July-December period. Earnings per share rose to Tk 0.05 from Tk 0.02 recorded in the previous year.

Monno Ceramic, one of the oldest concerns of the group, recorded an 11 per cent decline in net profit, while Monno Agro & General Machinery’s earnings dropped 20 per cent, according to the postings by the concerns on the website of the Dhaka Stock Exchange yesterday.

Benoy Paul, company secretary of Monno Agro, said its revenue grew to Tk 5.57 crore in the first half of the financial year from Tk 4.83 crore in the same period a year ago.

“But our operating expenses increased because of higher inventory,” he said. Monno Agro sells agricultural machinery and spare parts of jute mills.

Monno Ceramic said despite a 16 per cent rise in the October-December period, net profit declined in the six-month period, falling 11 per cent.

The EPS declined to Tk 0.64 in July-December from Tk 0.72 recorded in the same period a year ago.

The ceramics maker blamed increased operating expenses and finance costs for the EPS drop.

Monno Agro closed 2.99 per cent lower at Tk 564.20, Monno Ceramic was down 0.53 per cent at Tk 112.70, and Monno Fabrics fell 2.08 per cent to end the day at Tk 23.50 on the DSE yesterday.

IMF slashes global growth outlook

AFP, Washington

The Omicron variant of Covid-19 is creating an obstacle course for the global economy, which will slow growth this year, notably in the world’s two largest economies, the IMF said Tuesday.

The Washington-based crisis lender cut its world GDP forecast for 2022 to 4.4 per cent, half a point lower than the October estimate, due to the “impediments” caused by the latest outbreak, although those are expected to begin to fade in the second quarter of the year.

“The global economy enters 2022 in a weaker position than previously expected,” the International Monetary Fund said in the quarterly update to its World Economic Outlook (WEO), adding that “the emergence of the Omicron variant in late November threatens to set back this tentative path to recovery.”

The outlook remains beset by risks, including geopolitical tensions and a wave of price increases hitting consumers and businesses that is expected to last longer than previously expected.

After the solid recovery last year when the global economy grew an estimated 5.9 per cent, the IMF cut projections for nearly every country – with India a notable exception – but it was the downgrades to the United States and China that had the biggest impact.

“These impediments are expected to weigh on growth in the first quarter of 2022,” the report said.

“The negative impact is expected to fade starting in the second quarter, assuming that the global surge in Omicron infections abates and the virus does not mutate into new variants that require further mobility restrictions.”

The fund once again stressed that controlling the pandemic is critical to the economic outlook and urged widespread vaccinations in developing nations.



Workers weld at a workshop of an automobile manufacturing enterprise in Qingzhou city of East China’s Shandong province.

PHOTO: AFP

Oil rises towards \$89

REUTERS, London

Oil rose towards \$89 a barrel on Wednesday, within sight of a seven-year high, supported by tight supply and geopolitical tensions in Europe and the Middle East that raise concerns about further disruption.

US President Joe Biden said on Tuesday he would consider personal sanctions on President Vladimir Putin if Russia invades Ukraine. On Monday, Yemen’s Houthi movement launched a missile attack on a United Arab Emirates base.

“Anxiety over potential supply disruptions in the Middle East and Russia is providing bullish fodder for the oil market,” said Stephen Brennock of oil broker PVM.

Brent crude rose 61 cents, or 0.7 per cent, to \$88.81 at 0917 GMT. On January 20 it reached \$89.50, the highest since October 2014.

US West Texas Intermediate (WTI) crude was up 25 cents, or 0.3 per cent, to \$85.85.