

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.

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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 Raliquil 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

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"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

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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

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"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

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"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.