

## Metlife in Fortune Magazine’s most admired companies

STAR BUSINESS DESK

MetLife has been named in Fortune magazine’s 2022 list of the “World’s Most Admired Companies”.

A total of eight life insurers were included in the annual report card of the best-regarded companies, said a press release.

Fortune partnered with Korn Ferry in conducting a survey on industry executives, directors, and analysts on nine categories from investment value and quality of management to social responsibility and ability to attract talent in order to identify companies that have the strongest reputations across industries.

“Our people are proud to live our purpose, deliver for our customers, and make a positive difference in our communities. This recognition belongs to them,” said Michel Khalaf, chief executive officer of MetLife.

## Tasty Treat food stall at trade fair wins gold

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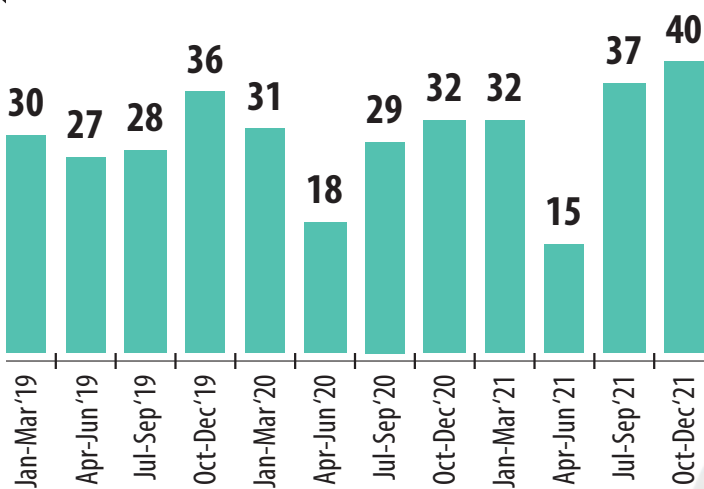
Tasty Treat, a fast food retail brand of Pran-RFL Group, has received a gold medal under food stall category at the 26th Dhaka International Trade Fair-2022.

The Export Promotion Bureau presented the award, said a press release.

Textiles Minister Golam Dastagir Gazi, Commerce Minister Tipu Munshi and Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, handed over the certificate and trophy.

The event took place at Bangabandhu Bangladesh-China Friendship Exhibition Center in Purbachal, Dhaka on Monday.

## PROFITS OF LISTED IT COMPANIES (In crore taka)



## TOP 5 IT COMPANIES

(In terms of profits; In crore taka)

SOURCE: SANDHANI ASSET MANAGEMENT

Genex Infosys  
15

Aamra Technology  
3.8

IT Consultants  
6.4

ADN Telecom  
3.8

BDCOM Online  
2.6

# Listed IT companies’ profits bounce back

AHSAN HABIB

Listed IT-based companies’ profits bounced back strongly in the last six months after the initial shock of the pandemic.

Among 11 IT-based companies, 10 disclosed their financial reports. Profits of the companies surged 26 per cent year-on-year to Tk 77 crore in the July-December period of the current financial year of 2021-22.

“People thought that the sector had not been impacted during the pandemic but in reality we have also been affected,” said Shameem Ahsan, managing director of eGeneration.

In the April-June period of 2020, when the coronavirus pandemic hit the country, profits of the IT-based listed companies dropped 33 per cent to Tk 18 crore compared to the same period of the previous year, according to data of Sandhani Asset Management.

In the same three-month period of 2021, their profits dropped further to Tk 15 crore when the second wave of the pandemic snared people’s normal economic activities.

“As our clients were affected with the pandemic so we also felt the heat,” it said.

“On the other hand, our IT-based companies were also impacted as many

of us failed to bring hardware due to the supply chain disruptions,” said Ahsan, who is also chairman of the Venture Capital & Private Equity Association of Bangladesh.

But the pandemic caused people to realise the importance of technology so they are either adopting or planning to adopt it, he said, adding that this caused the IT-based companies to bounce back strongly in the last six months. Number of internet users is rising too, he added.

The total number of internet subscribers increased by around 28 per cent to 12.66 crore at the end of November 2021 from that in January 2020, according to data of Bangladesh Telecommunication Regulatory Authority.

Among the 10 listed IT-based companies, seven saw a rise in profits while three logged lower profits in the period compared to that in the same period of the previous year.

Genex Infosys is the top profit-making company of the October-December quarter, logging profits of Tk 15 crore.

IT Consultants registered profits of Tk 6.5 crore while Aamra Technology Tk 3.8 crore.

“During the pandemic period, consumption of broadband rose so we hoped to see higher profits from such service providers,” said Shekh Mohammad Rashedul Hasan, managing director and

CEO of UCB Asset Management.

“We have a few listed broadband service providers whose future is good but the reality is the best service provider in terms of customers satisfaction cannot be realised,” he said.

“I am super optimistic about the IT sector,” he added.

If they can make foray into business process outsourcing and software development, they will be able to log extraordinary growth in profits, he said.

The export revenue from the IT sector was only \$26 million back in 2008 and it crossed \$1.4 billion in 2021, according to the Export Promotion Bureau.

Seeing the potentials, many companies and students are now rushing to the sector, he added.

Only 300 software companies and 50,000 people worked in this industry in 2008. Now, one million people are working.

Under the umbrella of the Bangladesh Association of Software and Information Services (BASIS), there are 1,700 plus companies and the number has almost doubled in the last five years.

The government has also ensured numerous support for the sector. It has declared 100 per cent tax exemption for the IT and IT-enabled service (ITES) companies until 2024.

## Nurjahan Group owner barred from leaving country

STAFF CORRESPONDENT, Chattogram

The Money Loan Court in Chattogram has barred Nurjahan Group owner Zahir Ahammed from leaving the country in a case filed in connection with defaulted loans of Tk 118.5 crore.

A ruling was issued on Wednesday against Ahammed, also the managing director of M/S Ahammed Traders, a concern of Nurjahan Group, based on the case filed by the Khatunganj branch of National Bank Ltd on January 22, 2020.

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

Ahammed also serves as the managing director of Jasmir Super Oil Ltd, another concern of the group.

Five cases have been lodged against Nurjahan Group so far for defaulting on loans worth around Tk 400 crore with different banks.

“The appeal was made out of fear that the accused would flee the country without settling the dues,” said Jamal Uddin Ahmed, manager of the Khatunganj branch of National Bank.

“The accused has been in hiding for a long time and we fear that he too may flee as his wife and children already live in Canada.”

Zahir Ahammed could not be reached for comments.

## ICMAB gets top brass

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The Institute of Cost and Management Accountants of Bangladesh (ICMAB) witnessed the election of a president for a one-year term 2022 in its council meeting on Tuesday.

The president-elect, Md Mamunur Rashid, was vice-president for the last two years, said a press release.

As an independent director of West Zone Power Distribution

Company, he has been serving as deputy managing director and member of the board of directors of several sister concerns of X-Index Companies, vice-president of Bangladesh Ceramics Manufacturers and Exporters Association and the governing body member of the Federation of Bangladesh Chamber & Commerce Industry.

The council also elected Md Munirul Islam, executive director of Aristopharma, and Imtiaz Alam, chairman of Infinity Group, as vice-presidents, AKM Kamruzzaman, senior executive vice-president of LankaBangla Finance, as secretary and Md Ali Haider Chowdhury, managing director of Aloha Bangladesh, as treasurer.

## Hybrid rice acreage

FROM PAGE B1

after presenting a paper at a meeting on increasing cultivation of inbred and hybrid varieties of rice at the agriculture ministry yesterday. Agriculture Minister Muhammad Abdur Razzaque was present.

Chowdhury in the paper showed that farmers planted hybrid rice on only 6.60 lakh hectares of land out of 45.17 lakh hectares during the Boro season in the fiscal year 2016-17.

Cultivation increased eventually encouraged by steady increase in prices of their grains and marketing campaigns by seed companies.

Chowdhury said a

government incentive in the form of distribution of a certain amount of hybrid seeds for free to farmers and move to buy all sorts of rice irrespective of quality and size of grain encouraged producers to add more land for hybrid cultivation.

As a result, millers are also buying coarse paddy, he said.

FH Ansarey, president of the agribusiness division of ACL, said yield of hybrid paddy was at least 20 per cent higher than that from inbred ones.

In addition, high prices of paddy have made cultivation of hybrid rice profitable to growers, he said.

## Rejoinder

FROM PAGE B1

on the basis of police verification report.

We expect more responsibility from a leading newspaper in publishing report that affects the reputation of a highly contributing financial institution like Islami Bank Bangladesh Limited.

OUR REPLY

The Daily Star report was based on Bangladesh Bank documents.

The central bank on September 16, 2021 asked banks to furnish it with the number of employees who either resigned or faced termination between April 1, 2020 and September 15 last year.

Banks later provided the number of their employees who left jobs during the period.

We used the number of the IBBL’s employees, who either resigned or faced termination during the period, on the basis of the central bank documents.

We stand by our report.

## Moulvibazar

FROM PAGE B1

The haat will enable people of border areas to buy fruits, vegetables, spices, towels, leghs, different clothing items, plastic goods, fish, melamine products, honey and other basic commodities.

Currently, four haats are in operation at different spots along the Bangladesh-India border. From the Bangladesh end, they are at Kurigram, Brahmanbaria, Feni and Sunamganj districts.

## Poor progress in stimulus

FROM PAGE B1

most of the credit support packages.

A Tk 3,000 crore refinance scheme for low-income farmers and businessmen was also taken, and so far Tk 2,117 crore has been disbursed.

Bangladesh Bank suspended the interest of loans to the tune of Tk 16,594 crore for the months of April and May of 2020. The government has allocated Tk 2,000 crore as interest rate subsidies and has released Tk 1,390 crore from its coffer so far.

The pre-shipment credit refinance scheme, which aims at enhancing the capacity of exporters, has witnessed a meagre 10 per

cent progress.

The government allocated Tk 5,000 crore under the fund in April 2020, and Tk 502 crore was disbursed.

Similarly, a Tk 2,000 crore credit guarantee scheme for cottage, micro and small entrepreneurs saw only 2 per cent progress as Tk 31 crore was lent.

The Tk 1,500 crore package for creating jobs in rural areas witnessed 50 per cent implementation as of November.

Although the tourism sector has been one of the hardest hit because of the pandemic since their businesses plummeted as people stayed away from the hospitality sector, it

did not receive any support initially.

In July last year, the government earmarked Tk 1,000 crore for hotels and motels. But, no hotels or motels have received any loans under the package, according to the finance ministry’s report.

A senior official of the ministry said it had sought an explanation from the central bank. In reply, Bangladesh Bank said that the finalisation of the disbursement guideline took a longer time.

“However, banks have already received proposals from the businesses, and the disbursement will start soon,” he said.

Khondaker Golam

Moazzem, research director of the Centre for Policy Dialogue, said the overall implementation progress is not at all satisfactory.

He gave the example of the initial Tk 20,000 crore package for CMSMEs.

“If the full fund had been disbursed, it would have covered only 6 per cent of all of CMSMEs in Bangladesh if each of them had received Tk 5 lakh,” Moazzem said.

“The fund was not adequate. Still, everybody welcomed the government’s timely initiative. But because of the weaknesses related to implementation, selection process and design, and banks’ tendency to avoid

risks, the package has not produced expected results.”

Of the loans under the credit support packages, half of the interest is being borne by the government.

“It’s a huge amount and banks have begun making claims on the loans. The government has also started disbursement,” said the finance ministry official. He says many clients are repaying their old loans by availing Oredit support under the stimulus packages.

“It’s the responsibility of banks to prevent such practices. The government will not subsidise the loans that were extended before the pandemic,” he added.

## Lift lending cap

FROM PAGE B1

“The interest rate on deposits may go up to 7-8 per cent soon and this will subsequently create a pressure on banks’ lending operation.”

Banks disburse loans, except credit card loans, at a 9 per cent interest rate.

Mansur recommended further depreciation of the local currency.

The BB has already started devaluing the taka in phases, but Mansur said the current pace is not enough given the escalation of import payments and the downward trend of remittances.

The inter-bank exchange rate of the taka stood at Tk 86 per dollar yesterday in contrast to Tk 84.80 a year ago, according to data from the BB.

The majority of banks are now suffering from a shortage of US dollars, prompting the central bank to inject dollars from time to time. Banks purchase the greenback in exchange for the taka, squeezing money circulation.

The growth of reserve and broad money stood at 6.53 per cent and 9.62 per cent in December, down from 21.30 per cent and 14.25 per cent, respectively.

Due to the contracted money supply, inflation would not increase to a large extent, said Mansur.

Salehuddin Ahmed, a former governor of the BB, says there is no need to create a hue and cry about inflation. “We should not follow a tight monetary policy for the sake of the private sector.”

Under a freight on board (DOB) system, international buyers usually have to bear container freight charges in transporting export goods from Bangladesh.

Global shipping costs have increased several times in the past one and a half years amidst the pandemic, which was an issue for concern among the buyers.

In such a context, Rifline Worldwide Logistics, a freight forwarder based in Rome, Italy, which is a client of many European buyers, initiated introduction of a shipping service on the Chattogram-Italy route.

Later Rifline’s sister shipping company, Kalypso Compagnia di Navigazione SPA, Italy, applied to

Chattogram Port Authority (CPA) for plying vessels on the route.

The CPA accordingly gave permission to two of its chartered vessels, Cape Flores and Songa Cheetah, each of 1,200 TEU capacity, to initially run for six months.

Under a trial voyage, Cape Flores arrived at the Chattogram port from Ravenna on December 24 with some empty containers in 16 days. However, the vessel did not take away any export container on the way back.

Mohammad Rashed, chairman of the two ships’ local agent firm Reliance Shipping and Logistics, told The Daily Star that Songa Cheetah was now on way from Italy carrying 945

TEUs of empty containers and 7 TEUs of import containers containing raw materials of garment factories.

It is scheduled to arrive on the morning of February 5, he said.

If the vessel can get berth right upon arrival, it will hopefully leave Chattogram for Italy within two or three days, he said.

The vessel would take away 1,100 TEUs export load containers to the Italian port from where the cargoes would be sent to different European destinations, informed Rashed adding that majority of the export cargoes are RMG goods while the rest are handicrafts, jute and leather goods.

He hoped that the vessel would reach Italy within 16 days while currently it takes 40 to 45 days or more to reach cargoes from the Chattogram port to Europe via transshipment ports.

The freight charge would be around \$10,000 per 20-foot container, he said.

Currently, freight cost from the Chattogram port to Europe has risen to over \$14,000 per 20-foot container.

Bangladesh Shipping Agents Association (BSAA) Chairman Syed Mohammad Arif said both time and cost would be reduced to a great extent if direct shipping service could be introduced to Europe, the major destination of the country’s

export cargoes.

Chittagong Chamber of Commerce and Industry (CCCI) President Mahbubul Alam said it would be surely good news for the businesses as such an initiative would pave the way for newer avenues in the country’s import-export trade.

He, however, said other big shipping companies can take the avenue into consideration.

Officials in the shipping lines, however, said movement of small-sized vessels on such a route was a bit risky.

Big shipping lines may consider plying vessels on the route only when the Bay Terminal can be made operational, giving access to larger ships, they said.