

NCC Bank wins remittance award

STAR BUSINESS DESK

NCC Bank has recently won a “Remittance Award 2022” from the Centre for NRB, a non-profit organisation for non-resident Bangladeshis, for its remittance services.

Mohammad Mamdudur Rashid, managing director, received the award from AK Abdul Momen, minister for foreign affairs, at the inaugural ceremony of “World Conference Series 2022” titled “Branding Bangladesh” at Pan Pacific Sonargaon Dhaka, said a press release.

Mashiur Rahman, economic affairs adviser to the prime minister, and MS Shekil Chowdhury, chairman of the Centre for NRB, were present.

Meta says it will pay new \$2m UK fine

REUTERS, London

Britain’s competition regulator said on Friday it had fined Facebook-owner Meta 1.5 million pounds (\$2 million) over fresh issues regarding its purchase of Giphy, a sanction that the US firm said it would accept.

Britain’s Competition and Markets Authority (CMA) has taken a tough line with major tech groups in recent years, investigating their dominance of markets such as digital advertising and seeking to block the Facebook-Giphy deal.

CMA ordered Meta to sell animated images platform Giphy, which it acquired for \$400 million in May 2020, after it decided the remedies offered by the US company did not answer its concerns over the impact to digital advertising.

It said on Friday that Meta had failed to comply with certain aspects of its requirements.



Liberian flagged container vessel Songa Cheetah leaves the Chattogram port yesterday afternoon for Italy’s Port of Ravenna with 926 TEUs of export-laden containers. The direct waterborne service introduced between the two destinations has paved the way for opening up prospects for faster and cheaper direct container shipping from Bangladesh to Europe. It is expected to reduce costs by almost 40 per cent while goods will be able to reach Europe in just 16 days whereas it currently takes 40 days to 45 days or more for the use of transshipment ports. Story on B1.

PHOTO: DWAIPAYAN BARUA

Traders scour markets for protection amid Ukraine tensions

REUTERS, London

Unnerved by the sabre-rattling between Russia and the West over Ukraine, traders are scouring global markets for investments that could provide them with protection against losses in case the conflict escalates.

Any conflict risks triggering a rout in riskier investments such as global stocks and a rush into so-called safe havens such as government bonds, gold and currencies like the US dollar and yen, leaving those exposed to equities with large losses.

Typically, investors hedge against potential losses by buying assets that would pay out if the situation reverses, such as derivatives that could profit from a fall in stocks or commodities.

But with markets already gyrating in the face of rising inflation, worries about global growth and tighter monetary policy, the cost of that protection has gone up sharply in recent days, according to live traders.

Europe’s equivalent of Wall Street’s fear gauge – an index which calculates how volatile investors expect stocks to behave in

the short term – is currently trading more than 50 per cent above its 2021 average, indicating how increased demand is pushing hedging costs up.

Investors are having to peer deeper and farther across markets for ideas that offer affordable protection.

In interviews, traders and investors said they are looking at a range of strategies, from derivative bets on how wildly French stocks will gyrate or how much German stocks will fall to simply looking for assets that are currently out of favour but would benefit if markets got worse.

Two traders at major global banks, who requested anonymity because they were not authorized to speak to the press, said they are recommending their clients look at the French stock market and place derivative bets on volatility, a measure of the intensity of market swings.

Their expectation is that volatility in French stocks will increase in the event of a conflict because it is one of the most liquid markets in Europe.

One of the traders, who heads derivatives strategies at a top bank in

London, is recommending that his clients buy call options on French stock market volatility, which would allow them to buy the underlying financial asset at a fixed price even as it rises in the event of a conflict.

To defray some of the cost of such a bet, the trader is telling clients to sell options on US stock market volatility, which he thinks is likely to be less impacted by any escalation of the conflict. Taking such a two-pronged bet would, however, also reduce some of the profits should a conflict ensue.

Swiss bank UBS is recommending buying call options on the yen or the US dollar, according to a note published this week. The two currencies would likely strengthen as investors seek out safe havens in the case of a conflict, making the bets profitable.

Another suggestion from UBS is to buy put options on German stock benchmarks, a bet that will pay out if the market falls. That is a possibility because of the reliance of German companies on Russian energy for production.

Palli Bidyut bill payment free thru Nagad

STAR BUSINESS DESK

Nagad has unveiled a new service allowing customers of 12 Palli Bidyut Samiti in Savar, Keraniganj, Narayanganj, Narsingdi, Gazipur, Munshiganj, Manikganj, and Bhaluka to pay their electricity bills using the app of the mobile financial service or USSD at free of cost.

Customers first need to select the Pay Bill option on the home screen of the Nagad app, a press release said.

After selecting the ‘electricity’ icon, users have to click on the BREB (Bangladesh Rural Electrification Board) option and enter the bill amount and the meter number.

Users need to hold the ‘Tap’ symbol to make the payment successfully after entering the Nagad PIN.

Customers have to dial *167 # from their phone if they want to make the payment through USSD. After selecting the ‘Bill Pay’ option by choosing 5 from the menu, users have to select the BREB option by selecting electricity.

They need to enter the bill amount and the meter number. Upon entering the PIN, any user can easily make the payment.

Once the bill is paid, users will receive an SMS with a token number. To complete the recharge, users must manually insert the token number into their digital meter.

A customer can pay any amount of prepaid bills starting from Tk 50 using Nagad.

“This new service will make it significantly easier for our users to pay the bills from the convenience of their home,” said Sheikh Aminur Rahman, chief marketing officer of Nagad, in the press release.

AIBL gets remittance award

STAR BUSINESS DESK

Al-Arafah Islami Bank Ltd has recently won a remittance award from the Centre for NRB, a non-profit organisation for non-resident Bangladeshis, as one of the top 10 banks through which the highest amount of remittance passed in 2021.

Md Shafiqur Rahman, deputy managing director, received the award from AK Abdul Momen, minister for foreign affairs, at Pan Pacific Sonargaon Dhaka, said a press release.

Presided over by MS Shekil Chowdhury, chairperson of the Centre for NRB, Mashiur Rahman, economic affairs adviser to the prime minister, Shamsul Alam, state minister for planning, SM Shafiuddin Ahmed, chief of army staff, Prof Emeritus ABM Abdullah and Shahidul Alam, additional secretary of the Ministry of Expatriates’ Welfare and Overseas Employment, were present.

Team Group targets \$1b export

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Mainly producing outerwear for customers in Europe and the US, 4A Yarn Dyeing has made strong improvements in compliance to laws and diversified its production base, taking on high-end value added garment items so that buyers pay better prices.

As a result, almost all important global clothing retailers and brands have been placing work orders in bulk quantity with 4A Yarn Dyeing.

Last month it received the United States Green Building Council’s Leadership in Energy and Environmental Design certification of platinum standard.

Nearly all of the factory’s 7,000 workers stay near the production facility at Kaichabari, Banchabari, Baipail in Savar under Dhaka district.

So coming to work does not require transportation on vehicles, which helped reduced carbon emissions, said Rakib.

The factory is able to harvest 86.3 per cent of the rain that falls on it premises while solar panels, LED lights and architectural changes making better use of sunlight saves up on around 50 per cent in energy use.

With the higher inflow of work orders from the international retailers and brands, Team Group is going for a massive expansion of capacity, said Rakib.

Currently, the factory’s production runs on a five

lakh square feet space, creating mainly outerwear for brands like Guess, Next, Tommy Hilfiger, Calvin Klein, s. Oliver and many more European and American retailers and brands.

By 2025, the group plans opening another factory of the same size just near the current one.

The factory being planned will mainly produce manmade fibres so that the group need not require making imports from China, Indian and other sources.

Rakib said the next business of Bangladesh would be of manmade fibre and the group would mainly produce the garment items out of manmade fibre.

However, he has no plan for increasing the number of workers too much as he has already started installing updated machineries for higher productivity.

In fact, a large number of workers is not required for production of high-end value added garment items, especially outerwear. Instead sophisticated machineries are needed.

In some production sections, Rakib has already installed the automated machines for higher and finer production of goods.

The group now employs 18,000 workers. He has also been regularly providing training to workers to meet the crisis of skilled workers so that they can handle the modern machineries.

Rakib has been

transforming the production facility mainly targeting the LDC graduation as the country will not be able to enjoy the GSP benefit after the graduation.

“I have been gearing up my production facility in such a way so that the retailers and brands cannot ask any question regarding the compliances and production facilities, for bringing efficiency and for getting better prices in the time of fierce competition after the graduation,” Rakib said.

Stocks break four-day

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Textiles and Sonargaon Textile.

The stock market’s movement is quite good now as the index rose for several days and then it fell for some days, according to a stockbroker.

When the index remains in movement without undergoing massive falls, investors gain the confidence to invest in the market.

“I hope investors are appreciating the recent ups and downs of the index,” he added.

The Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the main index of the bourse of the port city, dropped 46 points, or 0.22 per cent, to 20,675.

Among the 308 stocks to undergo trade, 122 rose, 148 fell and 38 remained the same.

Business confidence

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Firms in Dhaka have higher PBSI compared to those located outside of the capital while no significant difference was found between them in the case of the BCI.

According to the survey, 74 per cent of the firms did not receive any stimulus package during the quarter. Only 23 per cent secured assistance.

Around 40 per cent of the firms that availed the stimulus support found it to be insufficient, leading 65 per cent of the surveyed businesses to seek further government aid.

Prof Raihan emphasised faster disbursement of

the stimulus package, easy access to stimulus packages and government support focusing on the specific requirements of businesses.

He suggested relaxed taxation on the import of oil and a strategic, dynamic and forward-looking fuel price policy.

As remittance flow is falling, the study called for an assessment of remittance flow and increasing cash incentive from 2.5 per cent to 3 per cent.

Corruption has remained a concern for business environment and business performance, said the Sanem.

Songa Cheetah

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the Chattogram port directly to any European destination.

If any shipping company introduces such direct services involving other European ports, the CPA would offer all out cooperation including priority berthing for those ships, Shahjahan added.

However, at least 33 TEUs of export-laden containers could not be sent on this ship since those containers could not be transported from private inland container depot (ICD) Summit Alliance Port due to a sudden work abstention enforced by drivers of container-carrying prime movers of the ICD.

Mohammad Rashed, chairman of the ship’s local agent Reliance Shipping

and Logistics, said uncertainty arose centring transport of at least 60 TEUs of export containers from the ICD due to the sudden work abstention.

Later, under the prompt initiative of the CPA chairman, some 27 TEUs of containers could be brought from the ICD under police protection and were loaded onto the ship right before it set sail.

It is a really unfortunate incident for a maiden initiative, he said.

Songa Cheetah arrived directly from Port of Ravenna on Saturday morning and got berth at the port jetty within two hours.

Italian shipping company Kalypso Compagnia di Navigazione SPA has introduced this service.

Salary hike to bring intangible

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hike as the members of the organisation are also the employees of banks, according to Hussain.

“The board of directors of banks usually set the salary for all employees from managing director to entry-level officials.”

His comments came at a time when a debate is going on in the banking sector whether the central bank can fix the salary structure for the entry-level officials of private banks.

On January 20, the Bangladesh Bank instructed the banks to provide a gross salary of Tk 39,000 to an entry-level banker after completion of the probationary period.

Banks have been asked to implement it from March this year.

The new pay structure prompted the Bangladesh Association of Banks, a platform of the sponsors and directors of private banks, to sit with the central bank on January 26. It requested the BB to extend the deadline for

implementing the new structure.

Against the backdrop, the BB on February 1 said that banks would be allowed to materialise the salary structure from April 1. It also revised the entry-level salaries to some extent.

Now, the gross salary of trainee cash officers will be Tk 36,000 and the officials of the general side will get Tk 39,000.

The salary for office staff has also been revised.

In addition, the BB has relaxed the deadline to implement the new structure for the fourth-generation banks, which were established in and after 2013, along with Bangladesh Commerce Bank and ICB Islamic Bank.

The second notice issued by the central bank is softer than the first one as it is less costly, said Hussain, who was elected as the chairman of the ABB in December.

“The operational cost of banks will increase from

April. But we are yet to calculate how much our expenditures will widen,” he said.

Skilled human resources will feel more comfort in entering the banking sector to build careers thanks to the latest pay hike.

“This will help banks achieve their goals,” he said.

The banking sector is still facing various problems that may last until next year due to the business slowdown brought on by the coronavirus pandemic, said Hussain, also the managing director of Brac Bank.

“Private banks will overcome the problems riding on the latest salary hike as the energetic workforce will play a striking role.”

The ABB will organise a workshop in April to train the employees working in the human resources departments at banks.

“The workshop will help them judge business targets set by respective banks for their employees,” Hussain said.

HC questions BB stance

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The HC bench of Justice Mamnoon Rahman and Justice Khandaker Diliruzzaman issued the rule following a writ petition filed by Supreme Court lawyer Md Farhad Bin Hossain challenging the BB circular.

Lawyers AM Masum and Md Saifur Rahman Rahi appeared for the writ petitioner during the virtual hearing of the petition.

Bangladesh Bank on January 20 fixed the minimum salary to encourage talented individuals to take banking as a career and play a role in the economic advancement of the nation.

The central bank said the entry level salary of assistant officer, trainee assistant officer, trainee assistant cash officer or equivalent officials would be a minimum Tk 28,000 during the probation

period. Their total monthly salary, including basic pay, will be at least Tk 39,000 after the end of the probation period, it said.

After implementing the minimum salary, banks will have to proportionately increase the salary of other officials who have been working at the same positions, said the Bangladesh Bank in the circular to banks.