

Star BUSINESS

STARTUPS IN BANGLADESH

Over local **100** startups raised funds so far

Fund raising from local sources remains a challenge

Local startups received at least **\$165m** funding in 2021

\$162m came from foreign sources

Only **\$3m** came from local sources

FUND RAISING RULES FROM PUBLIC

A profitable firm can raise funds from stock market

Loss-making companies are not allowed to raise funds

BSEC considers making rules easier for startups to get listed

Hope for startups to raise funds from public

AHSAN HABIB and MAHMUDUL HASAN

Startups are now quite thrilled at the likelihood of being allowed to raise funds from the stock market as the Bangladesh Securities and Exchange Commission (BSEC) is mulling over listing loss-making IT or e-commerce platforms.

At present, a company needs to register profits in two consecutive years before it can raise funds from the SME board, according to the securities rules.

Shaikh Shamsuddin Ahmed, a BSEC commissioner, told The Daily Star that he believed the IT and e-commerce platforms needed the funds early and once their survival was ensured, they could go on to earn a lot.

"So, they deserve a different way of valuation, rather than one based on profit," he said.

Executives of different tech-based startups said it was the most opportune moment for the platforms to get the greenlight of the stock market regulator since people were more prone to purchase goods and services through digital means.

"Startups will grow bigger

in the near future and they now need funds," AKM Fahim Mashroor, chief executive officer of Bdjobs.com and AjkerDeal, told The Daily Star.

"So, if the BSEC allows the listing of such firms, it would play a pivotal role in propelling the growth further."

Although these companies are not making a profit now, they should be given the opportunity considering their high growth potential, the entrepreneur said.

In order to raise funds through the book building method, a company needs to show profits in the preceding two years. In the fixed price method, no loss-making company is allowed to raise funds.

"The profitability condition

has to be relaxed," said Mashroor.

Besides, individual investors should be given the opportunity to invest in startups getting listed, he said, pointing out that general investors were not allowed to

launching IPOs is that they were incurring losses.

For instance, Zomato, Paytm, and PB Fintech reported losses of 356 crore, 381 crore and 110 crore rupees respectively for the quarter that ended in June 2021.

Global iconic tech ventures, such as Tesla and Amazon, were also not profitable for many years.

Ahmed of the BSEC is also aware of the nature of the startups. He said these companies cannot generate revenue right from the moment they start running, so they should not be evaluated based on profits but rather on potential.

"We want to assess their potentials considering the future because many of the world's top companies like Microsoft incurred losses for several years in their early period. But they are now among the top profit-making companies in the world," he said.

IT and e-commerce-based companies take time to make profits but assessments are risky tasks, said Ahmed.

"It is a reality that a few people could try to misuse the process but we do not want to

block the fundraising process for the rest," he said.

Because the future lies in IT-based companies, he said, adding that these companies comparatively fared better during the pandemic while others suffered.

"Definitely, we are taking it as a positive development," said Waseem Alim, CEO of Chaldal.com, an online supermarket that saw dizzying growth amidst the pandemic.

It will be good if the stock market regulator takes opinions from experts and early-stage startup investment facilitators before finalising any decision, he said.

"A few years back, it was difficult to get funds from local venture capital investors, but now many are coming forward. It will create more scope for the firms to get local funds if they are allowed into the stock market."

The commission was scheduled to sit with some top executives of the country on January 31 but that was postponed due to the emergence of the Omicron variant of the coronavirus, according to sources.

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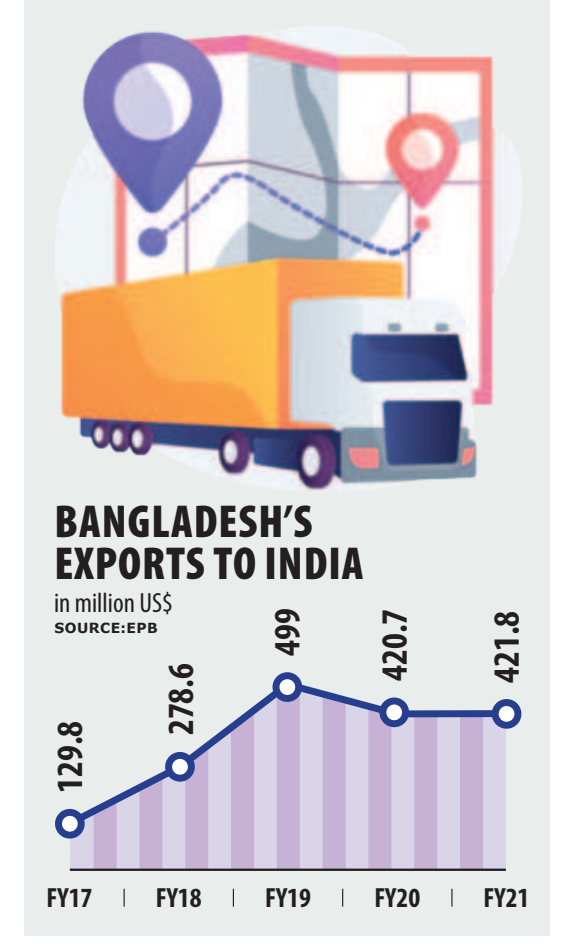


Apparel export to India rising fast

REFAYET ULLAH MIRDHA

Riding on the zero-duty trade benefit and competitive prices, the shipment of apparel items to India is growing fast, a development that would help Bangladesh narrow its trade gap with the neighbouring country.

Bangladesh is already a very lucrative source for formal shirts, tops, denim trousers, undergarments, polo shirts, t-shirts and bottoms for both men and women belonging to India's middle-income consumers.



CURRENCIES STANDARD CHARTERED BANK

USD EUR GBP CNY

FINANCING BASHUNDHARA'S GOLD REFINERY PLANT BB asks state banks to rope in more private lenders

AKM ZAMIR UDDIN

With Bashundhara Group seeking to borrow from state banks to establish a gold refining plant at Tk 5,790 crore, Bangladesh Bank yesterday asked five public sector banks to include more private lenders in the syndicated finance scheme to mitigate credit risks.

The industrial behemoth sought Tk 4,300 crore as a syndicated loan from six lenders led by Agrani bank. Bashundhara was supposed to arrange the rest of the fund, said a top official of the state lender.

However, it has become difficult for the state banks to contribute their portion as the amount exceeds the single borrower exposure limit.

A single borrower exposure limit is a threshold calculated against the capital of a bank, which stipulates the ratio of money a bank can lend to a borrower.

At a meeting with the managing directors of five state banks yesterday, the BB asked Sonali, Janata, Agrani, Rupali, and Bangladesh Development Bank Ltd (BDBL) to follow the single borrower exposure limit while giving out funds to Bashundhara.

As per the single borrower exposure limit, BDBL is allowed to give out a maximum of 15 per cent of its capital to an individual or company as loans while the rest four banks can disburse 10 per cent of their capital.

The BB came up with the decisions at a meeting chaired by BB Governor Fazle Kabir at the BB



The project will convert the 225km metre gauge line into a 239km dual gauge track from Akhaura to Sylhet, helping to reduce travel time.

AKHAURA-SYLHET RAIL TRACK PROJECT Railways asks ERD to search for funds

JAGARAN CHAKMA

The railways ministry has asked the Economic Relations Division (ERD) to search for funds for a project to convert the Akhaura-Sylhet rail track into dual gauge from metre gauge.

The request came after the government decided not to implement the project with Chinese funds due to higher cost.

On February 3, the ministry wrote to the ERD asking it to begin looking for the funds.

A senior official of the ERD says it has received a request from the railways ministry. "We will write to various bilateral and multilateral financiers for the funds."

"We don't have any target for any specific lender. We are ready to receive funds whether they are in the form of loans or

South Sudan ministers visit Pran-RFL's Industrial Park

STAR BUSINESS DESK

A seven-member delegation from South Sudan led by Deputy Minister for Foreign Affairs and International Cooperation Deng Dau Deng Malek visited Pran-RFL's Industrial Park at Palash in Narsingdi yesterday.

The delegation also included General Chol Thon Balok, deputy minister for defence and veteran affairs, a press release said.

Ahsan Khan Chowdhury, chairman of Pran-RFL Group, Eleash Mridha, managing director of Pran Group, RN Paul, managing director of RFL Group, and Kamruzzaman Kamal, director for marketing at Pran-RFL Group, apprised the delegation about various aspects of the production process.

Pran-RFL is now exporting to 47 African countries

Expressing satisfaction about the overall activities of the factory, Deng Dau Deng Malek said, "There is a good demand for agro-processing products in South Sudan. Pran can grab the opportunity. The steps taken by the group for manufacturing products using modern technologies are praiseworthy."

Ahsan Khan Chowdhury said Pran-RFL is now exporting to 47 African countries and the demand for their products is increasing day by day. "We hope we will do better to export our products to South Sudan in the upcoming days," Chowdhury said.

Md Tarikul Islam, director-general for Africa at the foreign affairs ministry, Brigadier General Md Shamim Kamal, chief instructor, armed forces war course at the National Defence College, and Abu Nayeem Mohammed Maruf Khan, deputy commissioner of Narsingdi, were present.



Numerous furniture stores targeting low-income and budget conscious families have emerged by the road from Sayedabad to Jatrabari. Stores here offer sofa sets for as low as Tk 6,000-Tk 7,000. The photo was taken recently.

PHOTO: RASHED SHUMON

EU to make \$21m climate-smart investment in Bangladesh, South Asia

STAR BUSINESS REPORT

The European Union is set to allocate a fund of \$21.5 million to help accelerate climate-smart and inclusive infrastructure investments in Bangladesh and five other South Asian countries.

The five other countries are India, Bhutan, the Maldives, Nepal, and Sri Lanka, according to a press release of the International Finance Corporation (IFC), the largest global development institution, yesterday.

The IFC will implement the project under the programme, "Accelerating Climate-Smart and Inclusive Infrastructure in South Asia (ACSIS)".

The ACSIS is a five-year programme (2021-2026) to help spur investments



in energy, water, waste management, transport, logistics, and green buildings to benefit people and businesses in Bangladesh, Bhutan, India, the Maldives, Nepal, and Sri Lanka. It would leverage \$850 million of private sector investments in the region.

The impact of Covid-19 on

investments in infrastructure has been widespread and severe. Investment commitments in infrastructure with private participation in 2020 dropped by an unprecedented 52 per cent from 2019 levels, said the IFC in the press release.

The IFC estimates that South Asian countries can unlock more than \$3 trillion of climate-smart investment opportunities by fully meeting the national targets under the Paris Agreement by 2030.

"Attracting private capital for climate-smart infrastructure in a sustainable and inclusive manner will be critical for post-Covid-19 recovery in South Asia," said Hector Gomez Ang, regional director for South Asia at the IFC.

"The EU's support for the programme could not come at a better time as it is vital to act now to unblock obstacles to spurring sustainable infrastructure projects. This programme will leverage IFC's experience and expertise in supporting climate-smart infrastructure development in the region," he added.

The programme will also support the development of climate-smart investments in agriculture, manufacturing, tourism, health, and education while focusing on key themes such as cities, gender, and green finance.

The latest initiative builds on the IFC's previous partnership with the EU to support the Eco-Cities Programme in India and other programmes in the region.

Banglalink clinches Ookla Speedtest Award four times straight

STAR BUSINESS DESK

Banglalink has won Ookla's recognition as the fastest mobile network in the country for the fourth consecutive time.

The mobile phone operator remains in pole position with a speed score of 20.04 on the recently published Ookla Speedtest Award report for the third and fourth quarters of 2021, a press release said.

Its median download was 13.77 mbps, while the median upload speed was 7.54 mbps.

Ookla, the global leader in internet testing and analysis, gives the most accurate and comprehensive view of worldwide network performance, quality, and accessibility based on millions of results obtained through the Ookla Speedtest app each day.

Banglalink has managed to raise its performance bar significantly in recent times, providing super-fast 4G internet and high-quality digital services.

A total of 9.4 MHz new spectrum purchased by Banglalink last year contributed to winning this award by further enhancing the operator's network quality.

This year Banglalink is set to install around 3,000 base transceiver stations (BTS) across the country with an objective to gain double-digit growth.

"We want to keep this momentum going and expand our network for enabling more customers to benefit from our fastest mobile internet," said Upanga Dutta, chief commercial officer of Banglalink.

"Speedtest awards are given to the best-performing mobile operators for their superior network speed and coverage," said Doug Suttles, chief executive officer of Ookla.

"According to the consumer-initiated tests taken with Speedtest, Banglalink's overall network performance was the best in Bangladesh in Q3-Q4 last year," he added.

Tap offers cashback on mobile recharge

STAR BUSINESS REPORT

Mobile financial service provider Trust Axiata Pay (tap) has brought cashback offers on mobile recharges.

The offers are cashback on various packs such as voice and data, according to a press release.

Users will be allowed to avail the cashback offer up to three times for each pack during this campaign. Under the month-long campaign starting from February 1, users can enjoy instant cashback ranging from 10 per cent to 71 per cent on every recharge.

Devan Nazmul Hasan, chief executive officer of tap, said, "When it comes to mobile recharge, people are now leaning towards mobile financial service providers so that they don't have to take any hassle. To encourage the users, tap has brought in cashback options along with other exclusive offers for the users."



Golam Gaffar Imtiaz Chowdhury, head of foreign remittance department at Bank Asia, receives the Remittance Award from AK Abdul Momen, minister for foreign affairs, at Pan Pacific Sonargaon Dhaka recently.

PHOTO: BANK ASIA

Bank Asia wins remittance award

STAR BUSINESS DESK

Bank Asia Ltd has been awarded "Remittance Award 2021 and 2022" by the Center for NRB, a non-profit research organisation for non-resident Bangladeshis.

Golam Gaffar Imtiaz Chowdhury, head of the foreign remittance department at Bank Asia, received the award from AK Abdul Momen, minister for foreign affairs, at an event titled "World Conference Series 2022 - Branding Bangladesh" at the Pan Pacific Sonargaon Dhaka recently, said a press release.

MS Shekil Chowdhury, chairperson of the Centre for NRB, presided over the ceremony, where Mashiur Rahman, economic affairs adviser to the prime minister, Prof Shamsul Alam, state minister for planning, General SM Shafiuddin Ahmed, chief of Army Staff, ABM Abdullah, professor emeritus of Bangabandhu Sheikh Mujib Medical University, Shahidul Alam, additional secretary of the expatriates' welfare and overseas employment ministry, and Sherwan Chowdhury, mayor of Croydon in London, were present.



Mohammad Gias Uddin Talukder, chairman of the Shariah Supervisory Committee (SSC) at Islami Bank Bangladesh Ltd (IBBL), virtually presides over the bank's SSC meeting yesterday. Sayeed Ahmad, vice-chairman of the committee, Mohammad Abdus Samad, member secretary, and Muhammad Qaisar Ali and Md Omar Faruk Khan, additional managing directors, attended the meeting.

PHOTO: IBBL

Improved cook stoves: saving lives

FROM PAGE B4

Like Samiul and Shahedul, hundreds of small entrepreneurs in suburban areas are making and selling improved cook stoves to profit from its growing popularity.

Khadiza Begum, who lives in Lalmonirhat, used to cook her food on an ordinary stove just two months back when she had to use so much firewood that it would fill her house with smog.

But after following the advice of a local youth, Khadiza installed an improved cook stove at a cost of Tk 700. Since then, her weekly expenses for firewood have fallen to Tk

90 in the past two months, down 60 per cent from Tk 150 previously.

"Not only does it take less time to cook, but we also do not have to suffer from smoke inhalation while cooking," Khadiza said.

Convinced of the benefits, 40 other families in her village have also installed improved cook stoves.

"Our benefits would have been higher had we known about this cooking solution two or three years ago. Many of our relatives become enthusiastic about buying one themselves after seeing the stove

in our house," said Nuri Begum, another local in Lalmonirhat.

Mez-Babul Alam, deputy director of the Department of Environment in Rangpur, said improved cook stoves are environmentally friendly and so, they always advise people to use them.

"Various non-governmental organisations are regularly advising and raising awareness among people to use Bondhu Chula," he said.

Habibur Rahman, the civil surgeon of Kurigram district, says the amount of smoke released while

cooking on an ordinary wood-burning stove causes air pollution.

Due to this, family members have shortness of breath, asthma, heart attacks, lung problems and pneumonia.

"If the house is kept smoke-free, there will be no air pollution and the incidence of these complex diseases will be comparatively lower," he said.

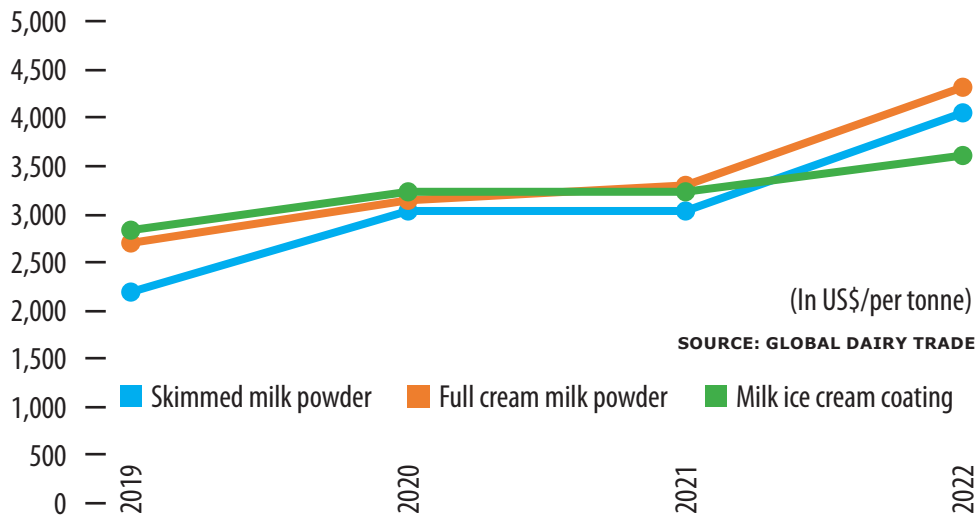
"So, the use of these eco-friendly stoves should be increased not only in houses but also in restaurants, tea stalls, community centres and small factories."



Md Ataur Rahman Prodhan, managing director of Sonali Bank, hands over certificates to the participants of a three-week foundation course for the newly appointed senior officers and equivalent at the Sonali Bank Staff College in Uttara, Dhaka on Wednesday. Begum Aklima Islam, the college's principal, presided over the ceremony.

PHOTO: SONALI BANK

Prices of Ice cream raw materials



Domestic demand
6cr litres per year

Market size
Tk 1,410cr in 2021

DUTY ON RAW MATERIALS

37pc on skimmed milk powder

37pc on full cream milk powder

127pc on milk ice cream coating

MAJOR ICE CREAM PRODUCERS



Ice cream makers pass tough times despite higher sales

AHSAN HABIB

Local ice cream producers are going through tough times in spite of logging higher sales in 2021 as they are having to bear higher prices of raw materials amidst the coronavirus pandemic.

The higher prices of raw materials and a lower profit margin have prompted them to decide upon seeking tax benefits from the government.

It is not an isolated incident. Just a week ago, dairy prices jumped at a global auction, touching a fresh eight-year high, giving further rise to apprehensions for the ice cream makers.

The Global Dairy Trade price index rose 4.1 per cent to 1,455, its highest level since February 2014.

Raw material prices of ice cream climbed in the last three years, especially during the global supply chain disruption during the pandemic, said Shamim Ahmed, chief operating officer of Igloo, the country's top-selling ice cream brand.

"For the surge in raw material prices, our costs soared by around 36 per cent compared to that of 2019," he said.

"We have decided to transfer some burden on to the consumers by raising ice cream price and we would bear some.

To mitigate the burden, government support is needed."

Bangladesh is going to turn into a developed nation, so the cold chain industry should become more sustainable but it is a challenging business, he said, adding that the government needs to provide incentives to the sector.

"Moreover, we are urging the government to remove a 5 per cent supplementary duty imposed on ice cream sales," Ahmed added.

The main raw materials of ice cream are skimmed and full cream milk powder, ice cream coating and sugar.

The price of skimmed milk powder soared 84 per cent to \$4,051 per tonne in 2022 compared to that in 2019, according to Global Dairy Trade.

During the same period, the price of full cream milk powder surged 60 per cent to \$4,324 per tonne.

Ice cream coating price also rose 27 per cent to \$3,600 per tonne, according to Taufika Foods and Lovello Ice-cream Company.

The price of sugar rose 37 per cent to Tk 74 per kg, according to the Trading Corporation of Bangladesh.

Dato' Md Ekramul Haque, managing director of Taufika Foods and Lovello

Ice-cream Company, acknowledged the scenario.

The industry faced a serious impact when the pandemic hit due to the rumours that eating ice cream raises the risks of catching the virus, he said.

"Last year, our sales boomed. However, the profit margin fell due to the higher raw material prices," he said.

The sales of ice cream came down to Tk 730 crore in 2020, which was around Tk 1,240 crore in 2019. This was driven by apprehensions of the delicious food turning people more susceptible to being infected with Covid-19.

On the back of awareness campaigns clarifying that consuming sweetened frozen foods does not increase the risk of contracting the virus, sales rose last year to around Tk 1,410 crore in 2021, according to market insiders.

"We can raise the prices of ice cream to adjust the higher prices of raw materials but it might impact our business," Haque said.

"If the government provides a rebate on the import duty of raw materials, we will be able to continue our business. Then, it will be better for consumers and us," he said, adding that the duty was very high.

The government imposed a 5 per

cent supplementary duty on sales which producers see as a big amount.

"We will inform the government soon on these. If we can do good business, the government will be able to get higher revenue through VAT and other taxes," Haque added.

Key ingredients needed to produce ice cream come from agricultural commodities and they go through ups and downs, said a top official of Polar Ice Cream.

Some of these ingredients also see unpredictable swings in demand and supply.

"For example, milk prices are running high for quite some time now. We are taking the hit as an unavoidable part of our activities.

However, if this continues, we will not have much choice but to address it as an industry," he said.

Seven brands of ice cream, namely Igloo, Polar, Lovello, Kwaliti, Za'n Zee, Bloop and Savoy, are available in the market, catering to a domestic demand of about six crore litres per year.

Igloo is the market leader with a 38 per cent share, followed by Polar with 27 per cent, Lovello with 14 per cent and Kwaliti with 9 per cent, according to industry players.

BATBC posts 37pc higher profit

STAR BUSINESS REPORT

The British American Tobacco Bangladesh Company (BATBC), a listed cigarette maker, logged 37 per cent higher profit in 2021.

BATBC's earnings per share were Tk 27.72 for the financial year, up from Tk 20.12 the previous year, the company said in a filing on the Dhaka Stock Exchange (DSE) yesterday.

BATBC declared a 150 per cent final cash dividend for 2021, raising its total dividend to 275 per cent for the entire financial year. It has already distributed a 125 per cent interim cash dividend.

In 2020, the multinational company provided 600 per cent cash dividend and 200 per cent stock dividend.

Because of the stock dividend, its paid-up capital and the number of shares rose. As the stock split, the cash dividend dropped, according to a market analyst.

BATBC shares closed 2.64 per cent lower at Tk 627.50 on the DSE yesterday.

China revises draft rules on data security for business sectors

REUTERS, Shanghai

China's industry ministry published revisions to draft rules on Thursday dictating how companies and localities should manage data, bringing more specificity to the country's evolving data governance regime.

The updated rules, which China's Ministry of Industry (MIIT) and Information Technology first published in September, removes a previous statement that "core data," defined as data that poses a "serious threat" to China's national and economic interests, must not leave the country.

In addition, the rules add electromagnetics to the wide range of categories that contain data that could be considered "core data" or "important data."

Dubai plans to attract 50 multinational companies as part of global hub push

REUTERS

Dubai plans to attract 50 multinational companies within three years, the emirate's government media office said on Wednesday citing a statement from the Dubai International Chamber.

The plan is part of a three-year strategy adopted by the chamber to boost the emirate's status as a global trade hub, it said, adding that it will also support 100 Dubai-based companies with international expansion.

Dubai is facing increased competition from Saudi Arabia in attracting international business. The kingdom has given foreign firms until the end of 2023 to set up headquarters or risk losing out on government contracts.

Apparel export to India

FROM PAGE B1

Bangladesh shipped garment items worth \$365.95 million in the July-December period of the current fiscal year, up 58.07 per cent from the \$231.53 million recorded in the same period a year ago, according to data from the Export Promotion Bureau.

Of the receipts, \$161.69 million came from knitwear shipments, up 66.46 per cent year-on-year. Woven garment shipments surged 52 per cent to \$204.26 million at the same time.

Exporters say the demand for Bangladeshi garment items is rising in India because of the expanding middle-income groups in the world's second-most population nation. Many prefer garment items produced in Bangladesh as they cannot afford expensive Indian high-end garment items.

Many western clothing retailers and brands have outlets in India and they source apparel items from Bangladesh to sell in Indian markets.

What is more, local clothing retail outlets and brands have sprung up to serve the readymade garment market. They also buy apparel items from Bangladesh.

Some Indian garment exporters re-export Bangladeshi garment items to other countries as well.

Many Dubai-based garment importers

place orders with Indian manufacturers which buy products from Bangladesh as the cost of production is lower here than in India.

Classic Fashions Ltd sends nearly \$3 million worth of garment items to a Dubai-based company through Indian exporters.

Md Shahidullah Azim, managing director of the company, says a lot of Indian businessmen are placing a good number of orders in Bangladesh to re-export to other countries.

"This is one of the major reasons for the increasing garment export to India."

Ananta Group, another exporter, sells \$10 million worth of garment items, mainly denim, ladies underwear, woven shirts and knitwear items in India every year, said its Managing Director Sharif Zahir.

Md Shahidul Islam, managing director of Rupa Knitwear (Pvt) Ltd, says he sends more than one lakh pieces of sweaters every year.

"If the testing facility becomes smooth, garment exports to India will grow a lot."

India's domestic textile and apparel production is worth \$140 billion, including \$40 billion of textile and apparel export, according to the Press Information Bureau, reported the Economic Times newspaper in January.

This means the country could be a major destination for Bangladeshi garment producers, who have long been relying on the US and European markets to sell most of their products.

"Garment export to India will grow more soon," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

A good number of BGMEA members will participate at a trade show for apparel items in Bangalore in June. Bangladesh, Myanmar and Vietnam will participate in the fair.

The BGMEA will also send a business delegation to India in April to discuss business and investment in Bangladesh by Indian entrepreneurs.

However, a 12.50 per cent countervailing duty on garment items acts as a major barrier for Bangladeshi producers in Indian markets, exporters say.

Two-way trade between the two countries is heavily tilted towards India, which ships goods worth \$8 billion on average to Bangladesh.

Total merchandise exports to India from Bangladesh stood at \$1.06 billion in the July-December period of 2021-22. It was \$1.27 billion in the entire fiscal year of 2020-21 and \$1.09 billion in 2019-20.

Kamal defends spike

FROM PAGE B4

Accounts 2008", which is also followed by other countries, Kamal added.

The minister went on to say that the adoption of an expansionary monetary policy worked effectively at a time when no other government had the courage to implement such measures due to Covid-19.

"We executed the task rightly," he said.

"While the economy of other countries contracted, we were on the right track. Our economy never fell and we remained functional even amid the pandemic."

"We have been acclaimed globally for this as there was no [high] inflation and the exchange rate remained stable despite all the economic uncertainty," he added.

In addition, Bangladesh's revenue growth was around 15 per cent, which was very difficult to achieve given the circumstances.

Exports grew 30 per cent while imports were also in

good shape in 2020-21.

"During the budget presentation last year, I also projected the GDP growth rate and finally it has been achieved," the finance minister said.

As there are no negative growth numbers, he did not understand why the GDP growth figure seems unbelievable.

Bangladesh Bank has been implementing an expansionary monetary policy since 2020 in order to keep the country's economic activities afloat amid the pandemic.

Unilever profit climbs

AFP, London

British consumer goods group Unilever on Thursday logged a rising net profit in 2021 but warned that soaring inflation will likely ramp up costs again this year.

Hope for startups

FROM PAGE B1

Ershad Hossain, managing director of City Bank Capital, a merchant bank, said there was no methodology for listing startups, but time has come to formulate one as the sector was flourishing.

"Loss-making means no value—such premise is very wrong and it is a different ball game."

Startups should get the opportunity to raise

Railways asks ERD

FROM PAGE B1

grants from any country or lender," said Dharendra Nath Mazumder, director-general of the Bangladesh Railway.

The project, which will convert the 225km metre gauge line into a 239km dual gauge track, is important for Bangladesh as it will reduce travel time.

But six years have passed since the Executive Committee of the National Economic Committee (Ecneec) approved it.

The project cost was estimated at Tk 913 crore in 2016. And it was scheduled to be implemented between 2016 and 2020.

The planning commission approved the preliminary development project proposal in March 2016.

The Ecneec approved the project in 2019, setting the cost at Tk 16,104 crore.

Accordingly, the ERD sent a proposal to the Chinese government seeking funds in November of the same year. Beijing also assured Dhaka of financing 66.16 per cent of the project.

Earlier, the rail authorities signed a memorandum of understanding with a Chinese company for the project. Now, the government decided not to use Chinese funds in the project due to higher costs.

Later, the ministry revised the estimate of the project and the preliminary development project plan (PDPP). The planning commission has given its consent to the PDPP.

Extend bonded

FROM PAGE B4

entitlement should be formulated for all export-oriented sectors, she said, adding the current policy was introduced in 2008.

The bonded warehouse privilege provides entrepreneurs with the opportunity to import raw materials duty-free on the condition that the items manufactured by them would not be sold in the domestic market.

The BUILD also proposed incorporating a

provision in the tax law for refunds or adjustments to the tax deducted at source with total payable taxes.

At the event, the Bangladesh Investment Development Authority (Bida), Bangladesh Economic Zones Authority (Beza), Bangladesh Export Processing Zones Authority (Bepza) and Bangladesh Hi-Tech Park Authority (BHTPA) proposed a further cut in corporate tax rates.

BB asks state banks

FROM PAGE B1

headquarters. Financial Institutions Division Secretary Sheikh Mohammad Salim Ullah was present at the meeting.

A BB official said that the state-banks' credit risk would be diversified if more private lenders are included in the financing programme.

In its loan application, Bashundhara said it would contribute Tk 1,490 crore from its own coffer out of Tk 5,790 crore to set up the plant, a high official of Agrani Bank said.

As per the previous agreement, the debt-equity ratio stood at 30 per cent. Yesterday, the BB said the conglomerate has to contribute 40 per cent of the fund.

The company planned to manage the rest of the funds through a syndicated loan led by Agrani Bank.

Of the amount, Agrani Bank was scheduled to disburse Tk 950 crore, Sonali and Janata Tk 1,000 crore each, Rupali Tk 500

crore, EXIM Bank Tk 600 crore, and BDBL Tk 250.

The figures will change following the central bank's latest directive, the BB official said.

The repayment tenure of the loan is seven years, including a grace period of two years. The interest rate of the loan would be 9 per cent.

The central bank also asked banks to submit a new proposal, the managing director of a state bank said.

"If the banks finance the company, their single borrower exposure limits will go above the ceiling," said Md Serajul Islam, a spokesperson of the BB.

"So, the central bank is looking into it."

Gazi Billal Hossain, a top official of Bashundhara Group, declined to comment.

Bashundhara wants to set up the plant in Bhatara in the capital. It will have a capacity of producing 200 kilogrammes gold bars and 150 kg gold jewellery every day.

Extend bonded warehouse benefit to non-garment firms: BUILD

STAR BUSINESS REPORT

Non-garment exporters should be allowed to import raw materials duty-free under the bonded warehouse privilege as it would help diversify the country's export basket, the Business Initiative Leading Development (BUILD) said yesterday.

The public-private dialogue platform also suggested the government give a common bonded warehouse benefit for firms that cannot export all of their products.

"This will give a huge boost to export diversification as small and medium enterprises that cannot export all of their goods will be able to avail the opportunity to export by using raw materials imported at zero duty," said Ferdous Ara Begum, chief executive officer of the BUILD.

The BUILD also proposed incorporating a provision in the tax law for refunds or adjustments to the tax deducted at source with total payable taxes

The organisation placed the proposal to the National Board of Revenue (NBR), requesting the revenue authority to include the recommendations in its tax measures for the fiscal year of 2022-23, at a discussion organised by the NBR at its office.

She went on to say that the garment industry flourished and become the biggest export earning sector for Bangladesh because of the policy support and incentives like bonded warehouse facilities.

Similar benefits can be extended to other sectors.

Particularly, the bonded warehouse facility should be extended to promising sectors such as leather, leather goods, footwear, light engineering, plastics and agro processing, Ferdous Ara added.

The BUILD CEO said the present entitlement policy for importing raw materials under the bonded warehouse benefit needs to be revised as it becomes complex due to changes from time to time.

A new policy on

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"Bondhu Chula" on sale at a Lalmonirhat market. Developed by the Bangladesh Council of Scientific and Industrial Research, the cooking stove burns fuel more efficiently and causes significantly less smoke and pollution. The photo was taken yesterday.

PHOTO: S DILIP ROY

Improved cook stoves: saving lives, cutting fuel cost

S DILIP ROY

Samiul Islam, a resident of Fulgachh village in Lalmonirhat sadar upazila, began his journey as a sole proprietorship several years ago by peddling sanitary products to low-income households in the area.

After about five years of financial struggle, he decided to make and sell improved cook stoves in hopes of turning a better profit.

Improved cook stoves, locally known as "Bondhu Chula", are cooking devices designed to improve the combustion and efficiency of biomass, mainly wood.

There was little demand for Samiul's stoves initially and he could sell just 20 units during the first few months. Now though, he sells nearly a dozen stoves each day.

"Business is going well as the demand for this type of fuel and cost-efficient stove has increased," the entrepreneur said.

With people from his village being the main buyers, Samiul currently registers a monthly turnover of about Tk 3 lakh with profits of up to Tk 60,000 from the sale of stoves.

Seeing his success, a good number of small-scale entrepreneurs have joined Samiul's ranks in making and selling Bondhu Chula.

Besides, improved cooking stoves are being promoted by



different government agencies to replace traditional stoves that consume high amounts of biomass and cause indoor pollution and environmental

degradation because of high dependence on firewood.

To date, about 45 lakh improved cook stoves have been installed in households across

the country.

State-run Infrastructure Development Company Ltd installed around 28.3 lakh stoves in a bid to improve energy efficiency, reduce dependence on firewood and cut greenhouse gas emissions, sources said.

According to the Sustainable and Renewable Energy Development Authority, improved cook stoves reduce firewood consumption by up to 50 per cent.

In addition, the stove's design helps keep kitchen areas clean and free of smoke, reducing the chance of smoke-related illness or death.

Samiul learned how to make the stoves from a non-government organisation by attending a seven-day training session. He then started to sell each unit for between Tk 600 and Tk 4,000, depending on size.

"We make single burner or double burner stoves with single or double fuel chambers," Samiul said.

The demand for single burner stoves with double fuel chambers seems to be the highest.

"Large stoves are needed by businesses such as tea shops while small or medium-sized stoves are preferred for household use," he added.

Shahedul Islam, a seller of improved cook stoves

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Kamal defends spike in GDP growth

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal yesterday defended the unexpected spike in gross domestic product (GDP) growth in the fiscal year of 2020-21, giving credits to expansionary monetary policies and progress in all economic indicators.

"Some would say our evaluation process is flawed and that we show inflated figures, but no, it is never, ever like that," he said.

His comments came two days after the government disclosed that Bangladesh's GDP pulled off a stunning 6.94 per cent growth in 2020-21 when the initial estimate was 5.43 per cent.

"What we have achieved and where we are now, you can witness with your own eyes. There is no negative growth figure anywhere," Kamal told reporters after a meeting of the cabinet committee on purchase.

The government sets the GDP growth rate and per capita gross national income in accordance with a method formulated by the International Monetary Fund, known as the 'System of National

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Stocks end flat

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) were almost flat yesterday while turnover rose slightly amid the intensification of the coronavirus pandemic.

The DSEX, the benchmark index of the premier bourse, edged up 4 points, or 0.06 per cent, to 7,085 at the end of the day.

The flat trading activity came as at least 8,016 new infections were recorded and 33 people died from Covid-19 in the 24 hours to Wednesday, said the Directorate General of Health Services.

The intensification of the infection rate generated fear among the investors, so they are parking their funds quite cautiously, according to a stockbroker.

The turnover, an important indicator of the market, rose 9 per cent to Tk 1,254 crore. On the DSE, 171 stocks were up, 163 were down and 46 remained unchanged.

Bangladesh Shipping Corporation was the most-traded stock, worth Tk 86 crore, followed by Orion Pharmaceuticals, British American Tobacco Bangladesh, Beximco, and Bay Leasing and Investment.

Shyampur Sugar Mills topped the gainers' list, rising 9.97 per cent, followed by Zeal Bangla Sugar Mills, Union Insurance Company, Aramit Cement, and BD Thai Food and Beverage.

Takaful Islami Insurance shed the most, eroding 3.6 per cent, followed by Titas Gas Transmission and Distribution Company, FAS Finance and Investment, Western Marine Shipyard, and Bay Leasing and Investment.

The stocks posted modest gains on opening as the investors adopted a cautious stance ahead of the December-end earnings and dividend declarations, said International Leasing Securities in its daily market review.

At the end of the session, the stocks edged a little bit higher, facing a bumpy ride throughout the session.

Among the sectors, travel and leisure rose 1.7 per cent and textile 0.7 per cent whereas general food and allied dropped 1.9 per cent and tannery 1.2 per cent.

Investors' activity was mostly concentrated on pharmaceuticals and chemicals (15.5 per cent), engineering (13.6 per cent), and miscellaneous (12.2 per cent) sectors.

Shares on the Chittagong Stock Exchange also rose yesterday. The CASPI, the main index of the port city bourse, went up 26 points, or 0.13 per cent, to 20,747.

Among 309 stocks to undergo trade, 129 advanced, 102 fell and 41 remained the same.

EU cuts eurozone growth forecast

AFP, Brussels

The eurozone economy will grow less than expected this year, the European Commission said on Thursday, as energy prices and supply chain problems jack up inflation and delay a more sustained recovery from the pandemic.

The EU executive said GDP in the single currency bloc would grow by 4.0 per cent this year, instead of the 4.3 per cent forecast only three months ago.

Inflation would increase to a much stronger than expected 3.5 per cent in 2022.

"Multiple headwinds have chilled Europe's economy this winter: the swift spread of Omicron, a further rise in inflation driven by soaring energy prices and persistent supply-chain disruptions," said EU economy commissioner Paolo Gentiloni.

The high prices "are likely to remain strong until the summer, after which inflation is projected to decline as growth in energy prices moderates and supply bottlenecks ease," he added. However, the former Italian prime minister underlined that "uncertainty and risks remain high" with the EU warning that "geopolitical tensions" in eastern Europe had "markedly aggravated" potential threats to the economy.

This was in reference to the more than 100,000 Russian troops that are deployed on the border with Ukraine, raising Western fears of a possible attack.

The crisis has brought major uncertainty over the supply of energy from Russia, which accounts for roughly 40 per cent of the gas that heats homes and powers factories in the 27-member EU. "Apparently Russia has no interest in increasing supplies right now, despite peak prices," European Commission President Ursula von der Leyen said in a video address to a business conference in Brussels.



Shoppers leave a supermarket in Bad Honnef, near Bonn, Germany. Core eurozone inflation, which excludes energy and food prices, fell month-on-month.

PHOTO: REUTERS

China defends US 'Phase One' trade deal shortfall

AFP, Beijing

Beijing on Thursday fended off accusations that it had not honoured its commitments to a 2020 trade pact with the United States, calling instead for Washington to lift punitive tariffs and sanctions "as soon as possible".

The comments came as US figures released recently showed the trade deficit with China ballooning by \$6 billion to \$34.1 billion in December 2021.

After a long-running standoff, the two countries reached a so-called "phase one" agreement in January 2020, in which Beijing pledged to increase its purchases of American products and services by at least \$200 billion through 2020 and 2021. The deal followed a long-running trade war that saw then-President Donald Trump and China's Xi Jinping impose punitive tariffs on hundreds of billions of dollars' worth of goods.