

# Star BUSINESS

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## Govt to amend procurement rules

REJAUL KARIM BYRON and REFAYET ULLAH MIRDHA

A high-level government committee yesterday suggested 11 proposals for amending the procurement rules, including making it mandatory for foreign firms to form joint ventures with local bidders when it comes to fulfilling government procurement rules.

The recommendations were placed before the cabinet committee on purchase during a virtual meeting with Finance Minister AHM Mustafa Kamal in chair.

After the meeting, Kamal said it is a good proposal as the capacity of domestic contractors has improved a lot over the years.

**“We usually prefer foreign firms rather than local ones in bidding for tenders but we want to gradually come out this attitude”**

“The proposal has already been widely discussed and will be finalised in the next meeting,” Kamal said, adding that the objective is to increase the number of local contractors and improve their capacity.

Earlier, a five-member committee headed by Abdur Rouf Talukder, senior secretary of the finance ministry, prepared the amendment proposals. “We usually prefer foreign firms rather than local ones in bidding for tenders but we want to gradually come out this attitude as the capacity of our domestic contractors has improved,” Kamal told reporters.

However, local contractors are yet to develop the capacity needed for highly technical issues. “So only in those cases we will hire foreign firms through bidding,” he said.

As per the recommendations, the procurement process will be implemented by local sub-contracting firms that will have to spend up to 20 per cent of the total estimated cost from their own funds.

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## NBFIs loans to subsidiaries beyond regulatory limit

NBFIS	Lending to subsidiary (in crore Tk)	Capital (in crore Tk)	% of loan against capital
Union Capital	458	59	773
Prime Finance	372	358	104
Fareast Finance	302	2	14,201
International Leasing	259	-3,353	-8
Aviva Finance	285	356	80
GSP Finance	240	300	80
FAS Finance	168	-302	-56

SOURCE: BANGLADESH BANK

## BB OBSERVATIONS

- To take up to 302yrs to recover the funds
- NBFIs efforts are feeble to recover fund
- Some NBFIs showed reduced outstanding balance without recovery
- Reduction of outstanding balance goes against rule
- Some of NBFIs now unable to repay depositors
- Interest of depositors may be severely affected

# Seven NBFIs risk losing Tk 2,050cr for anomalies

AKM ZAMIR UDDIN

Seven non-bank financial institutions (NBFIs) are now finding it difficult to recover Tk 2,050 crore they had lent to their subsidiaries and associates in breach of rules.

Preliminary analysis indicates that the funds have been misused, with neither Bangladesh Bank nor the Bangladesh Securities and Exchange Commission (BSEC) stepping in to prevent it.

What is more, the NBFIs, a majority of which are now unable to pay back their depositors, have not classified these funds.

The seven are Fareast Finance & Investment, FAS Finance & Investment, GSP Finance Company, International Leasing & Financial Services (ILFS), Union Capital, Aviva Finance, and Prime Finance & Investment.

As per the Financial Institutions Act 1993, NBFIs are permitted to disburse a maximum of 30 per cent of their capital to an individual or company, which also could be their subsidiaries and associates.

But the seven lent the amounts violating the single

borrower exposure limit.

The central bank has recently stepped up its monitoring on them and has subsequently sought data from the BSEC on how the funds were used.

The BSEC is the regulator for monitoring subsidiaries and associates of the NBFIs as they have mainly been formed to invest in the stock market.



A BB official said the funds given out to the subsidiaries were supposed to be turned into classified loans, but the NBFIs had not done so.

In addition, the central bank did not monitor the NBFIs' investments properly but it has recently stepped up the supervision.

The NBFIs set a roadmap in 2018 to realise the funds by

2025, but the recovery rate of the loans is very low, according to the BB's documents seen by The Daily Star.

It will take anywhere from 140 years to 302 years if the ongoing recovery trend continues.

Some non-banks showed smaller figures as the outstanding loans in documents they provided to

and 2011.

The single borrower exposure limit of the fund stands at 14,201 per cent of the non-bank's capital, which stood at Tk 2.13 crore as of September last year.

Contacted, Muhammad Ali Zaryab, managing director of the lender, said the then management and board had not followed any rules in transferring the funds to the associate, in which Fareast Finance has a 50 per cent stake.

The funds were transferred to the associate just through the issuance of treasury notes, a gross violation of banking norms, he said.

“We do not know anything about where the fund had gone,” he said, adding that the funds might have been siphoned off.

There had also been regulatory failures in stopping the misuse of the funds since the regulators concerned had hardly taken any timely measures to recover the fund, he said.

“The existing management is now trying to realise the money. But it will take years if the ongoing recovery trend

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## Hardship persists for households as food prices keep rising

Overall inflation falls after 6 months

REJAUL KARIM BYRON and MAHMUDUL HASAN

Amid soaring prices of food, products and services, inflation in Bangladesh fell to 5.86 per cent in January, the first decline in six months, official data showed yesterday.

The 19-basis-point decline from 6.05 per cent in December came on the back of a fall in non-food inflation, down 74 basis points at 6.26 per cent in the first month of 2022, according to the Bangladesh Bureau of Statistics (BBS).

The non-food inflation had touched a six-year high of 7 per cent in December, largely because of the impacts of the hike of diesel and kerosene prices in November.

Economists and consumers rights activists, however, were alike sceptical.

“The credibility of inflation data is now facing questions,” said Towfiqul Islam Khan, a senior research fellow of the Centre for Policy Dialogue. “Because it is not capturing the ground reality, particularly, the struggle of the general people.”

He said the massive drop in non-food inflation didn't reflect the hike in diesel price, which increased the cost of transportation and other products.

Food inflation rose to 5.6 per cent last month, an increase of 14 basis points from 5.46 per cent a month ago, hurting the low-income groups and the poor, who spend a majority of their incomes on food.

This is because the prices of most of the items such as rice, wheat, pulses, sugar, fish, beef, mutton, egg, edible oil and milk rose in January compared to a month ago, BBS data showed.

Between 2020 and 2022, the price of coarse and fine Boro rice has increased to Tk 45 and Tk 65 respectively, from Tk 34 and Tk 54. The price of flour has risen by Tk 10 per kilogramme to Tk 43.

The average prices of pumpkin, cauliflower, cabbage, papaya, green bean, gourd, cucumber, brinjal, radish, carrot, tomato and pea have risen by about 60 per cent from the prices mentioned by the state-run Department of Agriculture Marketing in 2019, an analysis of the prices at

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## Online sales take off ahead of Ekushey Book Fair

MAHMUDUL HASAN and SUKANTA HALDER

Although Amar Ekushey Book Fair-2022 began on Tuesday after being deferred for half-a-month due to the surge of Covid-19 infections, readers have already started purchasing the books published targeting the annual event thanks to online platforms.

The higher Covid-19 infection rate and delay in the launch of the fair had disappointed young poet Aleem Haider. He apprehended this year's fair would be as depressed as it had been last year.

This was a matter of concern over the sale of his new book, Shwapnoloker Shontrash, where he rediscovers his village's beauty and opulence of nature during the height of the pandemic.

But to his surprise, his publisher Moni Mohammad Ruhul Amin, director of Agradoot, told him last week that more than 100 copies had already been sold online.

“There was a vacuum in book sales last year due to the pandemic but writers, readers and publishers have taken preparations for this year with a greater presence online,” said Haider.

Amin said most of the online orders for books of his establishment this season were made through platforms like Rokomari.com and Othoba.com.

“Besides, customers can pre-order or order directly from our website too. We have developed an online mechanism since readers are more prone to making online orders amid the pandemic,” he said.

According to publishers and online platforms, sales over the internet increased anywhere from 50 per cent

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An employee of Rokomari.com, an online book-seller, scans a barcode before sending it to the packaging section from where it will be delivered to the customer.

PHOTO: COLLECTED

## EU to support Bangladesh for sustainable LDC graduation

STAR BUSINESS REPORT

The European Union will keep supporting Bangladesh to help the South Asian country make sustainable graduation from the grouping of least-developed countries.

Charles Whiteley, the EU's ambassador to Bangladesh, gave this assurance in a meeting with Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry (MCCI), at the latter's office in Dhaka's Gulshan yesterday, according to a press release.

Whiteley said there are untapped areas of cooperation where many EU member countries might be able to collaborate with Bangladesh to render technical support on various aspects, such as renewable energy and skills development.

Addressing the

READ MORE ON B3

## HSBC introduces Bangladesh's first SLP-based financing

STAR BUSINESS DESK

The Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh has introduced the country's first Social Loan Principles (SLP) based financing for Thengamara Mohila Sabuj Sangha (TMSS), one of the largest microfinance institutions in the country.

The bank recently signed an agreement with the micro-finance institution. Hosne Ara Begum, founder and executive director of TMSS, and Shaikh Md Salim, executive director of Bangladesh Bank Bogura office, exchanged signed documents of the deal, while Md Mahub ur Rahman, chief executive officer of HSBC Bangladesh, was present, a press release said.

**The SLP aims to support economic activities targeting to mitigate social issues and challenges of society**

The SLP, published by Loan Market Association and Asia Pacific Loan Market Association, aims to facilitate and support economic activities targeting to mitigate social issues and challenges of the society.

"Bangladesh Bank highly emphasises agriculture, cottage, micro, small and medium enterprises, women entrepreneur, and green financing which are vital for having a sustainable economy and achieving Sustainable Development Goals. HSBC's Social Loan aligns with these priorities," Salim said.

"We are delighted to partner with HSBC to contribute to the social development of Bangladesh, and optimistic that this partnership will have a remarkable milestone for the country's development," Hosne Ara said.

"This is part of our global sustainability commitment," Mahub ur Rahman said.



Electric three-wheelers have gained popularity in recent years mainly because of the convenience in enabling short trips. The photo was taken from Gollamari intersection of Khulna city yesterday.

PHOTO: HABIBUR RAHMAN

## Establish charging station networks to ramp up EV adoption

Speakers say at Idcol workshop

STAR BUSINESS REPORT

Speakers yesterday emphasised establishing infrastructure for charging station networks so that electric vehicles (EV) may replace their fossil fuel powered counterparts by 2030.

"The government has already fixed the tariff at Tk 7.6 per unit of electricity used by EV charging stations. So, we now need to build the required network," said Md Habibur Rahman, secretary of the Power Division.

Rahman made these comments while addressing the event, styled "Scaling up Electric Vehicle Uptake in Bangladesh", organised by the Infrastructure Development Company Limited (Idcol) at hotel InterContinental Dhaka.

"Besides, the tariff on electricity used by charging stations has been set at a lower rate than that imposed on residential purposes as it would help reduce carbon emissions," he added.

Rahman went on to say that entrepreneurs would be allowed to set up EV charging stations a minimum of one kilometre apart from each other in order to ensure fast and easy access to charging facilities.

"We have ensured sufficient power production in Bangladesh, so there is no possibility of facing power scarcity due to the establishment of charging stations."

But although energy leakage in the country's power distribution system has been brought down to 5.8 per cent, there is still room to improve it further, the power division secretary added.

Md Nazrul Islam, secretary of the Road Transport and Highways Division, said the government is working on drafting an EV charging guideline that will outline the process of setting up charging stations through private initiatives.

"A comprehensive EV charging station guideline is also needed to simplify the establishment of fast-charging stations. And we have already started working on developing a supporting policy in this regard," he added.

Fatima Yasmin, secretary of the Economic Relations Division (ERD) and chairman of Idcol, suggested keeping in mind the decarbonisation of the transport sector to build up a sustainable model for a cleaner, faster, and safer transport sector in Bangladesh.

She went on to say that 60 lakh charging stations would be required across

the country considering how rapidly the transport sector will switch to EVs.

Abdul Baki, additional secretary of the ERD and chief executive officer of Idcol, said automakers are increasingly shifting away from fossil fuel vehicles as there are plans to reduce global carbon emissions by 50 per cent by 2050.

Bangladesh is also moving ahead to reduce carbon emissions, so Idcol is implementing a UK funded project on "Road to a green Bangladesh".

"We are working on a successful business model and financing ecosystem for business with an aim to increase the EV uptake in Bangladesh," Baki added.

Hafizur Rahman Khan, chairman of Runner Group, said the government should not reduce the import duty on EVs. Rather, it should cooperate with automakers in the country to manufacture such vehicles locally. Besides, many entrepreneurs are ready to invest in locally manufacturing EVs.

Mir Masud Kabir, managing director of Bangladesh Auto Industries Limited, said the adoption of EVs would help reduce passenger vehicle fuel costs by up to 90 per cent while it would be 50 per cent for two and three-wheelers.

## Walton starts Green CSM for eco-friendly premium customer service

STAR BUSINESS DESK

Walton's customer service management (CSM) is implementing the company's Green CSM's activities to achieve its "Vision Go Global" as a part of its 'Better Bangladesh Tomorrow' initiative.

Golam Murshed, managing director of Walton Hi-Tech Industries PLC, inaugurated the Green CSM initiative at a programme titled "Green CSM: Road to Sustainability" at the Walton corporate office in Dhaka on Tuesday, a press release said.

Organised by Walton's customer service management, about 300 customer service officials from 77 service points took part in the event, where 51 individuals and service points were awarded for their outstanding contribution to customer service.

"Our target is to give customers premium service fast, best, advanced and smooth," Murshed said.

"We will move towards the goal of becoming one of the world's best brands through various initiatives like green CSM by integrating our dreams with the dream of Walton entrepreneurs."

Rakib Uddin, executive director, presented a detailed roadmap on Green CSM activities of the company.

Abul Bashar Hawlader, additional managing director of Walton, Nazrul Islam Sarker, Amdadul Hoque Sarker and Eva Rezwana, deputy managing directors, SM Zahid Hasan and Md Sakhawat Hossain, senior executive directors, were present.

## China's inflation slows, leaving room for policy easing

REUTERS, Beijing

China's factory-gate inflation eased to its slowest pace in six months and consumer price growth also softened in January amid weakening property sector demand, new coronavirus curbs and government efforts to rein in surging materials costs.

The producer price index (PPI) increased 9.1 per cent from a year ago, the National Bureau of Statistics (NBS) said in a statement on Wednesday, slower than the 9.5 per cent growth tipped by a Reuters poll and a 10.3 per cent gain in December. It was the weakest pace since July.

While producer prices in the world's second-largest economy remain elevated thanks to critical supply issues and home and abroad, China's relatively benign consumer inflation contrasts with cost pressures seen in most other economies.

Analysts believe cooling inflation could provide room for the People's Bank of China (PBOC) to ease policy to support the slowing economy, even as major central banks elsewhere tighten policy.

## Land acquisition for Patuakhali EPZ

FROM PAGE B4

The government's registry department used to adjust the value of land in Patuakhali in January each year but unlike other districts, land prices in the region have remained the same for five years now.

As such, the price of agricultural land in the area is fixed at Tk 15,279 per decimal while residential land costs Tk 26,422 per decimal.

So, landowners whose plots are to be purchased for the EPZ will be financially disadvantaged as prices are still fixed at what they were back in 2017.

One of the petitioners, Shafiqul Islam Mridha, said a notice has already been issued by the deputy commissioner's office to

acquire land for the project, whether it is residential or agricultural.

"But it is not possible for us to buy new land elsewhere to re-establish our homes or businesses, and the current market price is much higher than the value being offered for our plots," he said.

"So, we would be financially benefitted if the government kindly considers our demand," Mridha added.

The Prime Minister's Office gave administrative approval for the land acquisition in favour of the Bangladesh Export Processing Zones Authority (Bepza) to establish the Patuakhali EPZ in August last year.

Against this backdrop, the acquisition of 410.78

acres of land for an EPZ in Pocha Koralia mouza and 2.25 acres of land for an investors club in Kuakata was initiated, according to a letter signed by Abdullah Al Mamun, director general (administration) of the PMO.

Obaidur Rahman, the additional deputy commissioner of Patuakhali, said notices in this regard have already been issued to relevant landowners and that any objections on the issue would be disposed of within the next 15 days before the finalised details are sent to the land ministry for approval.

He went on to say that the landowners would be paid their dues within two months after completing formal procedures.

## Pubali Bank steps up

FROM PAGE B4

Financial Inclusion Strategy to bring the unbanked people under the formal financial sector.

Most of the banks are not interested in opening branches in rural areas as it is costly and takes a long time to break even.

Although the far-off areas of Bangladesh have a robust presence of mobile financial services and agent banking, all financial services cannot be provided through the two windows, Chowdhury said.

"So, the policy of setting up a sub-branch is undoubtedly a good initiative taken by the central bank. This is cost-effective and client-friendly."

Pubali Bank has decided to set up more than 215 sub-branches within two years.

The veteran banker also touched upon some important issues facing the economy.

"There will be further domestic inflationary pressure this year," he said,

adding that remittance flow may also slow down.

The country also faces excessive pressure from foreign exchanges due to higher imports. But the stimulus packages declared by the government have already started to offset the crises efficiently.

And the ending of the moratorium facility will have little impact on the default loans, according to Chowdhury.

"However, further policy support, if extended, will be helpful for banks."

## Bank Asia wins SAFA first prize, award

STAR BUSINESS DESK

Bank Asia won the first prize for "Best Presented Annual Report 2020 (Private Sector Banks)" in South Asia alongside a "SAARC Anniversary Award for Corporate Governance Disclosures 2020" awarded by the South Asian Federation of Accountants (SAFA).

This year Bank Asia has been awarded as the "Overall Winner" among countries in the South Asian Association for Regional Cooperation (SAARC), says a press release.

The Institute of Chartered Accountant of Sri Lanka organised the prize-giving ceremony through a virtual platform recently.

Md Sazzad Hossain, DMD & COO, and Mohammad Ibrahim Khalil, CFO of Bank Asia, received the award from Md Shahadat Hossain, president of the Institute of Chartered Accountants of Bangladesh (ICAB).

Md Kamruzzaman, deputy CFO of the bank, was also present in the ceremony.



Md Sazzad Hossain, deputy managing director and chief operating officer, and Mohammad Ibrahim Khalil, chief financial officer of Bank Asia Limited, receive the SAARC Anniversary Award for Corporate Governance Disclosures 2020 from Md Shahadat Hossain, president of The Institute of Chartered Accountants of Bangladesh (ICAB), recently.

PHOTO: BANK ASIA LTD



Zafar Alam, managing director of Social Islami Bank, virtually inaugurated three sub-branches at Nakhal Para in Kawran Bazar, Razarhat at Roazerhat in Chattogram's Rangunia and Autapara in Pabna recently. Abu Reza Md Yeahia and Md Tajul Islam, additional managing directors, and Abu Naser Chowdhury, Md Sirajul Hoque and Md Shamsul Hoque, deputy managing directors, were present.

PHOTO: SOCIAL ISLAMI BANK



PHOTO: RAJIB RAIHAN

**CHATTOGRAM'S ECONOMIC IMPORTANCE**

Gateway to Bangladesh by sea  
Connects nearly 60cr population of landlocked parts of South Asia with South East Asia  
Contributes 12% of national GDP  
Accounts for 60% of national revenue  
Handles 80% of international trade  
Hosts 40% of country's heavy industries  
Accounts for 37% of total annual remittance earnings  
Most preferred tourism destination

SOURCE: CCCI-JAPAN DESK

# Ctg holds potential as next 'global industrial hub'

Analysts tell webinar

**The CCCI-Japan Desk aims to facilitate business ties between private sectors of the two countries through providing legal, business and market information, linkage and policy advocacy services**

**STAR BUSINESS REPORT, Ctg**  
Chattogram, preparing to become the country's trade and investment growth engine, offers immense business prospects for Japanese investors as it bridges South Asia and Southeast Asia, analysts told a webinar yesterday.  
Home to the biggest sea port, the economic prospects are bright because of the implementation of mega infrastructure projects and capacity enhancement of the port, they said.  
The Chattogram Chamber of Commerce and Industry (CCCI), Japan External Trade Organization (Jetro) and

Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) organised the event seeking to attract Japanese investment to Bangladesh, particularly to Chattogram.  
Around 160 persons from over 100 Japanese companies took part in the webinar.  
CCCI President Mahbubul Alam said Japan and its private sector could bring in technology and experience of large-scale industrialisation and invest in Chattogram focusing ongoing mega infrastructural projects.  
Bangladesh's youth population can be transformed into an asset with appropriate training while Japan has the capital and investment to act as a

leverage for this asset, he said.  
Japan also has the technology required to serve the market of Bangladesh's growing middle-income population, he said.  
The CCCI, Jetro and JBCCI established a "CCCI Japan Desk" in December last year to strengthen bilateral business-to-business ties, he mentioned.  
The CCCI-Japan Desk is run by partners Legal Counsel, New Vision Solutions and the Bangladesh Center of Excellence along with Jetro.  
It aims to facilitate business ties between private sectors of the two countries through providing legal, business and market information, linkage and policy advocacy services.

Jetro Country Representative in Dhaka Yuji Ando highlighted Bangladesh's "excellent" economic situation and the potential Chattogram held towards transforming into a global industrial hub.  
CCCI Vice President Syed M Tanvir, in a presentation, focused on business and economic potentials as well as the cultural and ethnic diversity of Chattogram.  
Currently 20 Japanese manufacturing and trading companies are operational in Chattogram, he said.  
JBCCI Secretary General Tareq Rafi Bhuiyan and JBCCI President Asif A Chowdhury also spoke.

# NLI First Mutual Fund to be open-ended

STAR BUSINESS REPORT

When most asset management companies in Bangladesh try to extend the tenure of closed-end mutual funds to retain them, VIPB Asset Management Company has decided to convert its fund into open-ended.  
Mutual funds are investment funds that gather a fixed pool of money from several investors and re-invest them into stocks, bonds and other securities and then distribute the profits among the unitholders.  
Open-ended mutual funds have no timeframe to mature and are not listed with the bourses. So, investors can withdraw funds anytime on the basis of net asset value (NAV). On the other hand, closed-end funds are normally launched for 10 years.  
Yesterday, a meeting of unitholders of NLI First Mutual Fund was held on a virtual platform to decide the fate of the fund, whose 10-year tenure as a closed-ended mutual fund ended on February 6. In the meeting, the unitholders voted on a proposal to convert the fund into an open-ended fund. Unitholders representing 69.29 per cent units of the fund cast their votes, according to a press release of VIPB Asset Management Company, the asset manager of the fund.  
A staggering 99.93 per cent of the votes went in favour of the proposal. The fund will now resume its journey as an open-ended fund after securing approval from the Bangladesh Securities and Exchange Commission.  
Md Abul Hossain, managing director of Investment Corporation of Bangladesh (ICB), the trustee of the fund, presided over the meeting.  
Prof Md Kismatul Ahsan, chairman of ICB, Zia Uddin Ahmed, chairman of VIPB Asset Management Company, Shahidul Islam, CEO of the asset management company, and Probrir Chandra Das, chief financial officer of National Life Insurance Company, the sponsor of the fund, spoke at the event.  
The initial size of the fund was Tk 45.8 crore. It has paid a total cash dividend of Tk 52.1 crore throughout its tenure.  
On February 6, the fund's size, in terms of total net asset value at market value, was Tk 75.2 crore.  
The fund generated an annualised compound rate of return of 14.01 per cent, whereas the DSEX, the benchmark index of the Dhaka Stock Exchange, rose 4.93 per cent per year during the period.

# Markets rally on hopes for easing Russia-Ukraine tensions

AFP, Hong Kong

Asian markets rebounded Wednesday and Europe extended gains on hopes that Russia will not invade Ukraine after Moscow said some of its troops on the countries' border had started pulling back.  
While not verified, the claims by Russia provided some much-needed relief for investors, who had grown increasingly fearful of a conflict in Eastern Europe after Western powers warned for days that an attack was imminent.

# Online sales take off

**FROM PAGE B1**  
to 100 per cent during this pre-fair season compared to the same time last year, when it had slumped by over 50 per cent.  
Plagued by the pandemic, Baatighar, a publication house hoping to grow a reputation for decent taste in book releases and picturesque stores, introduced its own online book sales mechanism in 2020 amid the pandemic. That effort paid off.  
Proprietor Dipankar Das said online sales doubled in the first two weeks of February compared to the same period in previous months.  
"New books published by us and translated books are selling well. Besides, the demand for nonfiction and classics is also good," he said.  
Marking the fair, it is offering discounts of 25 per cent to 40 per cent throughout February on both online and physical purchases.  
Publication house Prothoma launched an online book fair from February 1 offering a discount of 25 per cent.  
"We started the online book fair before the actual fair in keeping with readers' expectations and we are getting the expected response as online sales have gone up," said Jakir Hussain, manager of the publishing

company.  
Readers are ordering fiction, autobiographies, children's books, books on politics, religion, the Liberation War, essays and research, he said.  
"We are getting a good response online and sales are increasing day by day as people are getting used to making online purchases," said Mazharul Islam, publisher of Anyaprokash.  
According to him, about 15 per cent to 20 per cent of the publication's total sales are normally made through online orders.  
"But for this year, the share of online sales would increase significantly," he added.  
According to Mahmudul Hasan Sohag, co-founder of Rokomari, the largest online bookseller in Bangladesh, online orders increased 30-40 per cent in the first two weeks of February compared to the same period last year.  
When the government enforced a strict countrywide lockdown to contain the spread of Covid-19, online book sales fell due to logistical challenges and a drop in the people's purchasing power, he said.  
"However, the pandemic has brought many people online. Overall, there has been a positive growth during the pandemic," Sohag added.

# Seven NBFIs risk losing

**FROM PAGE B1**  
persists," said Zaryab, who joined the NBFi in August last year.  
Aviva Finance, which changed its name from Reliance Finance in November 2020 to brighten its image and restore depositors' confidence, is another example of how the funds were misused.  
The non-bank disbursed Tk 285 crore to its subsidiary, Reliance Brokerage Services, but Md Abdul Jabbar, managing director of the lender, did not know when the funds were lent.  
He said he had recently joined the NBFi, which was why he did not know about the matter.  
The NBFi even showed a smaller figure as the outstanding loans disbursed to its subsidiary without recovering any amount, which baffled the

central bank.  
"Although the NBFi recovered only Tk 50 lakh from its subsidiary between July and September last year, it showed the outstanding loans to be Tk 3 crore less than what it really was," showed the BB data.  
Similarly, it also showed an outstanding loan amount that is Tk 2.5 crore less than the actual figure in the April-June period last year without realising any fund from the subsidiary.  
Jabbar said, "The NBFi has recently recovered funds from the subsidiary. We have waived a portion of the interest of the loans."  
Union Capital gave out loans amounting to Tk 458 crore to its two subsidiaries, Unicap Investments and Unicap Securities, which is 773 per cent of its capital.  
ANM Golam Shabbir, acting managing director of Union Capital, said the non-bank had started to disburse the loan since 2010. The subsidiary companies chiefly gave out the fund to the stock investors in the form of margin loans, he said.  
But they failed to recover the amount from clients due to the debacle of the capital market in 2010.  
Asked why the non-bank did not treat the loan as default ones, he said there was no loan classification policy to this end.  
The non-bank has also waived loans disbursed to the subsidiaries, violating the rules, according to a BB probe.  
In November last year, the BB ordered Union Capital not to disburse any loans exceeding Tk 1 crore after it found gross violations of rules in running its business.

ILFS disbursed Tk 259 crore to its subsidiary, International Leasing Securities, as loans in phases since 2009. The non-bank faced a capital shortfall of Tk 3,353 crore as of September last year.  
The NBFi had earlier faced a wide range of scams as former managing director of NRB Global Bank, Prashanta Kumar Halder, allegedly swindled a large amount of funds from the company.  
Md Mashiur Rahman, acting managing director of the lender, said the non-bank had restructured the loans last year.  
"We are now trying to recover the fund," Rahman said.  
Prime Finance disbursed Tk 372 crore in loans to its subsidiary, which is 104 per cent of its capital.  
Md Ahsan Kabir Khan, managing director of the lender, said the non-bank had given out the fund to be invested in the capital market. In addition, the subsidiary also disbursed margin loans among individual investors of the stock market.  
The loan amount previously outstanding was higher than the existing amount, as it has already recovered Tk 712 crore, he said.  
FAS Finance disbursed Tk 168 crore to its subsidiary, FAS Capital and Management. The lender faced a capital shortfall of Tk 302 crore.  
Prithvi Kumar Sarker, managing director of the lender, said the non-bank disbursed the fund to help the subsidiary in doing business in the capital market.  
"We recovered the loans steadily before the pandemic. But it is now a bit tough to realise the fund," he said.  
GSP Finance Company (Bangladesh) also disbursed loans worth Tk 241 crore, which amounted to 80 per cent of its capital.  
Mohammad Imdadul Islam, managing director of the lender, did not respond to The Daily Star's requests for comment.  
A BB official says the subsidiaries were regulated by the BSEC.  
Against this backdrop, the central bank sent a letter to the BSEC on January 12 requesting it to submit a report on the utilisation of the funds.  
Mohammad Rezaul Karim, spokesperson of the BSEC, said they were now collecting data as per the requirements of the central bank. "The stock market regulator will give a reply to the BB in the quickest possible time," he said.

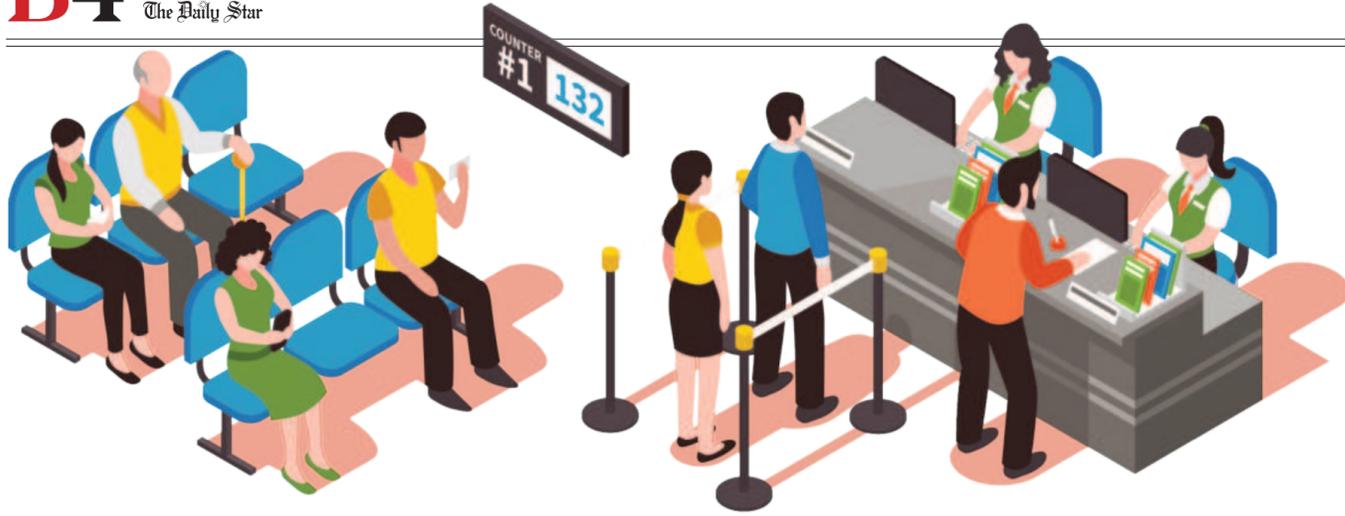
# Hardship persists for households

**FROM PAGE B1**  
several kitchen markets in the capital found last week.  
In Bangladesh, food inflation has been at a higher level for the elevated commodity prices globally, fueled by supply constraints, pent up demand and unprecedented shipping costs.  
General inflation in rural areas fell from 6.27 per cent in December to 6.07 per cent in January. Urban inflation was down at 5.47 per cent from 5.66 per cent a month ago, according to the BBS.  
Ghulam Rahman, chairman of the Consumers Association of Bangladesh, said there was no coherence between the

data of the BBS and the experience of consumers.  
"The absence of this coherence has tarnished the credibility of BBS data. People no longer believe it," he told The Daily Star, adding that there should be a cost of living index.  
Although the BBS data showed that non-food inflation witnessed a massive drop, consumers paint a different picture.  
While his workplace is located in the capital's Karwan Bazar, Alif Ahmed rented a small flat in the capital's Basila to save some money as the housing cost is moderate there compared to other areas in Dhaka.  
"But, bus conductors are now charging more in fares than those set by the government. Since the diesel price was hiked three months ago, my transportation cost has gone up by more than 50 per cent, undermining all of my efforts aimed at reducing expenses."  
Rubbing salt into his wounds, Ahmed's landlord has informed him that he was going to hike the rent since the price of everything has gone up.  
"I would be in further trouble if the government hikes the price of electricity, gas and water," Ahmed added, referring to the proposals of a number of state-run utility service providers to raise prices.

# Govt to amend EU to support Bangladesh

**FROM PAGE B1**  
meeting, Islam highlighted the challenges of LDC graduation and Bangladesh's joining the club of middle-income countries by 2026.  
Islam also expressed concerns about the tariff escalation after the country's LDC graduation and urged the EU to extend transitional support and the Everything but Arms (EBA) initiative for a reasonable period to attain sustainable graduation.  
Responding to Islam's call, Whiteley assured that the EU would look into the concerns very pragmatically.  
products and punishing contractors if they fail to implement such initiatives.  
However, Planning Minister MA Mannan disagreed with some of the recommendations and his arguments were also placed in the cabinet committee meeting.  
According to the planning minister's observation, the question is whether financial competition will be affected or not if the estimated cost is published before the call for tender.  
In the case of one-step and two-step envelop tender methods, controversy may arise in giving marks by the evaluation committee.



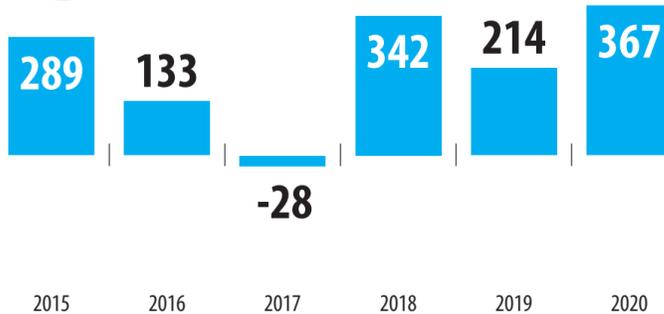
**PUBALI BANK AT A GLANCE**

- Established in 1959
- Employees: **8,118**
- Branches: **490**
- Deposits: Tk **46,256cr**
- Lending: Tk **37,665cr**
- Current ratio of non-performing loan: **2.90%**

**NET PROFIT OF PUBALI BANK**

(in crore taka)

SOURCE: PUBALI BANK



# Pubali Bank steps up efforts to grow digitally

Also firm on keeping up corporate governance for next phase of growth, says Managing Director Safiul Alam Khan Chowdhury in an interview

**“Despite the achievements, we are not complacent. We are not going to stop our journey here. Rather, we plan to go big based on digital means”**



AKM ZAMIR UDDIN

The presence of vibrant corporate governance and adoption of technology-driven means have helped Pubali Bank go from strength to strength in widening its banking operations.

Established in 1959, the lender has turned itself into a model for the country's banking sector.

It is now running both physical and digital operations to reach out to general people across the country.

“We have been carrying out banking operations for 64 years. Yet, we are moving forward in an expansionary mode,” said Pubali Bank Managing Director Safiul Alam Khan Chowdhury in an interview with The Daily Star recently.

A long journey ensuring good governance year after year is rare in the country's banking sector, but the lender has done it in an efficient manner.

The ratio of default loans, one of the major indicators of the financial strength of a bank, stands at 2.90 per cent for Pubali Bank, way lower than the industry average of 8.12 per cent.

“We have an unparalleled and proficient board of directors in terms of firm commitment and positive attitude for maintaining corporate governance in all tiers of the bank,” Chowdhury said.

The board has provided full freedom to the management, allowing it to run the bank smoothly and playing a pivotal role in expanding its footprint.

The bank has clocked 20 per cent growth for the last 10 years. Loans, import and

export facilitation, remittance conveyance and profit figures – all point to a continual increase.

For instance, loan disbursement posted a 19.36 per cent increase and deposits grew 7.76 per cent in 2021 compared to that in the previous year.

Export financing logged a growth of 45.58 per cent while import financing surged 70.35 per cent.

“Despite the achievements, we are not complacent. We are not going to stop our journey here. Rather, we plan to go big based on digital means,” said Chowdhury, who started his career as a probationary senior officer at the bank in 1983.

He has been serving the bank for the last 39 years. In April last year, he was promoted to the post of managing director from additional managing director.

Although the bank has a strong physical presence for serving rural people, it has already put in place various digital means to extend its operations to tech-savvy youths.

It has 490 branches, 39 sub-branches and 17 Islamic banking windows in remote and urban areas of Bangladesh.

“The future of banking will be different. That's why we are rapidly embracing digital technologies and solutions to capture it as early as possible,” Chowdhury said.

The 21st century is referred to as the digital age. Besides, the coronavirus pandemic has impacted people's lifestyles and organisational behaviour. The change in the situation has driven customers to rely more on digital channels to access financial services.

The new normal has also turbocharged the bank's efforts to speed up the digital

transformation.

Pubali Bank already has a real-time centralised online banking network making use of in-house banking software. It is providing internet banking, mobile banking and card services (debit and credit).

The bank launched an app-based banking product named “PI Banking” in August 2020. In addition, e-KYC (electronic know your customer) and an instant e-KYC-based account opening system have already been rolled out.

Pubali Bank is now working to develop software for QR code-based payment systems.

The intra-bank online banking is totally charge-free, irrespective of the amount and frequency, another relief for clients.

“The bank has no hidden charge for maintaining accounts, offering loans or keeping deposits,” said Chowdhury, who attained a postgraduate degree from the University of Dhaka.

“We have a dedicated workforce to materialise the bank's goals.”

“We address grievance management, gender equality, timely promotion and pay scale. There exists a congenial environment in ensuring job satisfaction and competency development,” Chowdhury said.

The bank has also set up a retired employees' welfare fund so that they can get support from the lender when any of them faces critical situations.

Pubali Bank sets aside Tk 50 lakh from its net profit per year to expand the fund, which has now reached Tk 6 crore.

The bank has also put in efforts to implement the government's National

READ MORE ON B2

## Land acquisition for Patuakhali EPZ underway Plot owners dismayed by prevailing market price

OUR CORRESPONDENT, Patuakhali

The Patuakhali district administration has initiated the process of acquiring about 410 acres of land to establish an export processing zone (EPZ) in Pocha Koralia mouza in Auliapur union under the sadar upazila.

An investors club for entrepreneurs who will set up manufacturing units at the EPZ is also being built on 2.25 acres of land in Kuakata.

The EPZ is being set up along the Patuakhali-Kuakata highway, just 10 kilometres south of the district town.

However, local landowners submitted a memorandum to Patuakhali Deputy Commissioner Mohammad Kamal Hossain on Tuesday, demanding an increase in the price of land.

Accepting the memorandum, Hossain assured that they would consider the matter, saying a decision in this regard would be taken in consultation with higher authorities.

Four landowners – Shafiqul Islam Mridha, Ali Akbar Mridha, Abul Khair and Sattar Hawladar – handed over the memorandum to Hossain on behalf of the locals.

In it, they mentioned that the market price of land in Pocha Koralia mouza was fixed in 2017 and has not changed since.

READ MORE ON B2

## Stocks rebound after two days of losses

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) returned to the positive territory yesterday after falling for two days.

The DSEX, the benchmark index of the premier bourse of Bangladesh, edged up 6 points, or 0.09 per cent, to 7,043 at the end of the day.

The stocks opened higher as the optimistic investors were showing buying interest on sector-wise issues after the two-day correction, said International Leasing Securities Ltd (ILSL) in its daily market review.

Investors were very active through the mid-session and their profit-booking tendency forced the market to end slightly higher compared to the last session.

Among the sectors, jute rose 3.3 per cent and tannery increased 1.9 per cent. The investors' activity was mostly concentrated on pharmaceuticals, chemicals and engineering stocks.

Losers took a modest lead against gainers, as out of 377 issues traded, 139 advanced, 162 declined and 76 issues remained unchanged.

Turnover rose to Tk 1,213 crore, down from Tk 1,231 crore a session ago.

Beximco Ltd was the most-traded stock with its shares worth Tk 137 crore changing hands. Fortune Shoes, Orion Pharmaceuticals, Bangladesh Shipping Corporation, and Saif Powertec also saw heavy trading.

Stylecraft topped the gainers' list rising 9.93 per cent. Rahim Textile Mills gained 8.75 per cent. Aramit Cement, Alltex Industries and Apex Tannery advanced more than 7 per cent.

Tamijuddin Textiles was the worst-performing stock on the day, slipping 7.30 per cent. Union Insurance, Rahima Food Corporation and Shyampur Sugar Mills dropped between 4 and 7 per cent.

The Chittagong Stock Exchange (CSE) also rose. The Caspi, the main index of the bourse in the port city, was up 27 points, or 0.13 per cent, to close the day at 20,629.

Of the 308 stocks traded, 117 rose, 147 fell and 44 remained unchanged.

## UK inflation hits fresh 30-year high

AFP, London

UK annual inflation has hit the highest level since 1992, data showed Wednesday, adding pressure to the cost of living and on the Bank of England to keep raising rates.

The Consumer Prices Index (CPI) edged up to 5.5 per cent in January from 5.4 per cent in December, also a level not seen in almost three decades, the Office for National Statistics said in a statement.

The rate is now at the highest level since March 1992, the ONS added.

Prices have soared globally over the past year, in large part owing to surging energy prices, while consumers are facing also higher food costs as economies reopen from pandemic lockdowns.

“We understand the pressures people are facing with the cost of living,” British finance minister Rishi Sunak said in response to Wednesday's data.

“These are global challenges,” he added.

As inflation reaches the highest levels in decades, lagging rises to workers' wages, central banks are deciding on how fast to hike interest rates.

The Bank of England earlier this month lifted its main interest rate for the second time in a row aimed at bringing down inflation.

The BoE has forecast Britain's annual inflation rate to peak at 7.25 per cent in April, far above its 2.0 per cent target.

The latest “increase in CPI inflation... will add a bit more pressure on the Bank of England to continue raising interest rates rapidly”, said Paul Dales, chief UK economist at Capital Economics.

Policy makers in December lifted borrowing costs from a record-low 0.1 per cent to 0.25 per cent – their first tightening in more than three years.

They raised again this month, to 0.5 per cent.



People shop at a market in east London, Britain.

PHOTO: REUTERS

## US wholesale prices spike against forecasts in January

AFP, Washington

US wholesale prices jumped more than expected last month, according to a government report Tuesday, an indication the inflation wave continues to hit all corners of the world's largest economy.

The producer price index rose one percent, seasonally adjusted, in January, the Labor Department reported, twice the increase analysts had forecast and returning to the inflation pace seen last summer.

Goods costs rose 1.3 per cent and services increased 0.7 per cent, according to the data.

Compared to the same month last year, prices were up 9.7 per cent, not seasonally adjusted, slightly less than the increase registered in the prior two months, the report said.