

Vegetable farmers don't get fair prices for extortion

Says minister

STAR BUSINESS REPORT

Agriculture Minister Muhammad Abdur Razzaque yesterday said extortion during transport and the presence of middlemen deter farmers from getting fair prices for their produce.

"If the extortion and middleman issues are resolved, fair prices can be ensured," he said in response to a question from journalists on the opening of the three-day National Vegetable Fair-2022 at Krishibid Institution Bangladesh in Dhaka.

"The government is trying to keep vegetable prices under control. Our law enforcement agencies and commerce ministry must work together to keep vegetable prices within the people's purchasing power," he added.

The country has a lot of potential for vegetable export and so, the agriculture ministry is working hard to this end.



Various vegetables are on display on the first day of the three-day National Vegetable Fair-2022 at Krishibid Institution Bangladesh in Dhaka's Farmgate yesterday. Some 52 stalls of public and private agencies are participating in the event.

PHOTO: ANISUR RAHMAN

AB Bank, Renaissance hotel sign deal

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AB Bank Ltd signed an agreement with Renaissance Dhaka Gulshan Hotel last week.

Abdur Rahman, deputy managing director of AB Bank Ltd, and Noeke Kusuma, general manager of Renaissance Dhaka Gulshan Hotel, inked the deal at the bank's head office in Gulshan, Dhaka.

Under the agreement, the credit cardholders of the bank will enjoy Buy-1-Get-1 buffet dinner and Buy-1-Get-2 buffet breakfast or brunch.

In addition, AB Bank debit and credit card cardholders will get a 10 per cent discount at the hotel's Gulshan Baking Company and spa.

Regulators should work together for a stable stock market: analysts

STAR BUSINESS REPORT

Bangladesh Bank, the Bangladesh Securities and Exchange Commission (BSEC) and National Board of Revenue (NBR) should work together for the betterment of the domestic stock market so that it can stand as the main source of long-term funding for local industries, various analysts said yesterday.

Their comments came at a workshop, styled "Economic Policy Triangle: Inter Relationship among Fiscal, Monetary and Capital Market Policies", jointly organised by the Bangladesh Academy for Securities Markets and Capital Market Journalists' Forum.

Banks play a vital role in the economy but the stock market could also be a major source of long-term finance, said Shaikh Shamsuddin Ahmed, a commissioner of the BSEC. "So, the central bank should form stock market friendly policies," he said, adding that all regulators should work together in this regard.

About the recent drop in the stock market, the BSEC commissioner said local media had traced two reasons behind the decline. One is the war between Russia and Ukraine while the other is the adjustment

of negative equity of the intermediaries.

On February 27, the DSEX, the benchmark index of the Dhaka Stock Exchange, plummeted by 163 points, or 2.38 per cent, to 6,676. This was the steepest single-day plunge since February 7 last year.

"However, it was not logical for the market to fall due to the war as it has few links with Bangladesh," Ahmed said.

Meanwhile, the other reason of adjustment of negative equity from intermediaries is also not true as the regulator has already extended the time till December 31, 2023, he added.

In 2010, the intermediaries provided margin loans to investors but when their share price eroded, the stock remained unsold as the stock value was lower than the loan amount. This is called negative equity.

In 2015, the commission ordered the intermediaries to adjust their negative equity. Later, the BSEC extended the deadline seven times in response to requests from the intermediaries.

"If needed, the time could be extended further," Ahmed said, adding the market regulator will not take any decision that could have an adverse effect on general

investors.

"So, investors should not be concerned about the adjustment of negative equity,"

Prof Mohammed Helal Uddin, director of research at the Centre on Integrated Rural Development for Asia and the Pacific (Cirdap), echoed the same, saying the two reasons were not logical for the recent drop. "Bangladesh's economy grew much higher but our stock market is still not aligned with it," he said.

"But the central bank took some steps that were not suitable for the stock market. It has taken the steps probably with the fear of 2010," Uddin added. So, all the regulators should coordinate their efforts for the betterment of the local financial sector.

"If the earnings of listed companies rise, then their share prices may also rise and there is nothing wrong with that."

Uddin criticised the companies that get nods to go for initial public offerings, saying that 80 per cent of these companies are not performing well.

"Some listed firms are investing in the stock market to make fast money and so, their activities should be monitored closely as such a company's earnings may fall anytime," said Abu Ahmed, a stock market analyst.

Banglalink clocks highest revenue growth in six years

MAHMUDUL HASAN

Banglalink displayed a strong performance in 2021 as it posted the highest revenue growth in six years on the back of strong data sales as the coronavirus pandemic turbocharged the digital transformation of work, purchase, education and entertainment.

The revenue of the third-largest mobile phone operator in Bangladesh rose 5.1 per cent year-on-year to Tk 4,794 crore in 2021, according to a press release of Veon Ltd, the parent company of Banglalink.

The annual revenue grew 0.7 per cent year-on-year to Tk 4,560 crore in 2020. It was Tk 4,530 crore in 2019. Data revenue played a pivotal role in its strong result as it grew by 20.9 per cent year-on-year to Tk 1,364 crore in 2021.

Banglalink, which added about 20 lakh customers last year to take its customers base to 3.72 crore, made the internet service central to its strategy evidenced by its strong show in a drive-test carried out by the telecom regulator to look into the 4G internet speed provided by the operators across the country in 2021.

The operator recorded revenue growth of 8.3 per cent year-on-year to Tk 1,229 in the October to December quarter.

Data volumes surged 71.5 per cent year-on-year, contributing to a 23.8 per cent rise in mobile data revenue during the quarter.

Fourth-generation (4G) users grew by 50.6 per cent in the fourth quarter of 2021 and accounted for 34.2 per cent of Banglalink's total customer base at the end of the year.

Erik Aas, chief executive officer of Banglalink, said Banglalink continued to invest in its 4G network in the last quarter of 2021.

Digital platform for aquaculture introduced

STAR BUSINESS DESK

Right Haat, a digital platform for aquaculture actors including farmers, was launched at Brac Centre Inn in Dhaka yesterday.

The digital platform combines both advisory support and a portfolio of products and services for aquaculture farmers and market actors, a press release said.

Currently, the platform has four different service points: its website (www.righthaat.com), Facebook group (The Right Fish), hotline (09613-900100), and mobile application (RightFish).

Farmers and small business owners will have easy and direct access to reliable information and best farming practices in visual form from their homes through this platform.

Right Haat services have been accessed by more than 50,000 fish farmers in South-west Bangladesh, more than 200 input retailers and almost 100 LEAF members across the country.

The platform is supported by Feed the Future Bangladesh Aquaculture and Nutrition Activity (Aquaculture Activity) project, managed by WorldFish, and funded by USAID.

Manjurul Karim, chief of party of the Feed the Future Bangladesh Aquaculture and Nutrition Activity, was present.

Construction of state economic

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up 10 zones on their own in a quick manner. What is more, a number of companies are exporting products from there.

BANGABANDHU SHILPA NAGAR

The BSMSN is the first economic zone in the country that has seen a company, McDonald Steel Building Products, start trial operations.

The Beza is developing 30,000 acres of land in three upazilas of Chattogram and Feni districts and aims to generate 15 lakh jobs in the industrial hub by 2030.

It has invested Tk 4,000 crore to develop the enclave while the development works involving Tk 6,000 crore were ongoing.

Seven industrial units, including that of Asian Paints Bangladesh, Nippon and McDonald Steel, are set to go into production by December, Abdullah Al Mahmud Faruk, project director of the BSMSN, told The Daily Star.

"It is now a matter of time that some factories start commercial operation at the BSMSN."

The Beza has allocated 6,256 acres of land against 153 investment proposals at the industrial hub where around 9 lakh jobs will be created.

Large-scale industries aimed at manufacturing products such as steel, painting, and automobile are being set up in the city. Businesses from home and abroad have proposed to invest \$20.13 billion.

Sarwar Kamal, managing director of McDonald Steel, says the official inauguration of the factory will be held as soon

as possible.

SHREEHATTA ECONOMIC ZONE

The zone is ready to set up factories as the site development has almost been completed and the utility connection has been set up.

The Beza has received about \$1.5 billion investment proposals from domestic investors.

Six companies have been allotted 231 acres of land, and 43,000 employments are due to be created in the planned factories.

DBL Group is going to invest \$650 million to establish 10 factories to manufacture textiles, ceramic and sanitary items in the estate.

FOREIGN ECONOMIC ZONES

Land development at two Indian economic zones in the BSMSN and Mongla, and the Japanese Special Economic Zone in Araihaaz of Narayanganj has started.

The Beza is expecting multibillion-dollar foreign direct investment in the zones.

Saleh Ahmed, project director of the Japanese Economic Zone, says already 160 acres of land have been handed over to the Japanese authority to set up factories. Ten companies have shown their interest to invest in the zone so far.

Japanese investors plan to invest in automobile, manmade fibre, home appliance, electronics and toy sectors.

Ahmed is expecting to finish the development work by the middle of 2022 and start the commercial operation by March 2023.

"At least 100 Japanese

companies will be accommodated in the zone."

MOHESHKHALI ECONOMIC ZONE

The zone in Cox's Bazar has already wooed investment proposals worth \$2.5 billion.

Super Petrochemical Pvt Ltd, a concern of TK Group, and SK Group of South Korea plan to invest \$2.5 billion jointly to establish a petrochemical complex and an LPG terminal in the zone.

They have begun setting up the factories on around 450 acres of land. The plants will create 20,000 jobs, directly and indirectly.

JAMALPUR ECONOMIC ZONE

In the zone, 88 acres have been allocated and 11 investors have placed investment proposals involving \$42.47 million. Foreign companies have placed proposals to invest \$11.76 million.

According to the Beza, all utility connections have been set up and the Beza has invested Tk 300 crore to prepare the zone for setting up factories.

TOURISM PARKS

Road development has been completed and electricity infrastructure has been put in place at the proposed park at Sabrang in Teknaf at a cost of Tk 80 crore. Land development works and the construction of embankment are continuing to protect the future tourist destination.

Already 118 investors have offered to put in \$303 million, including \$98.78 million from international investors.

The Beza is working to establish a world-class tourism city on 10,000

acres of land in the Sonadia Island of Moheshkhali.

The agency has constructed the connecting road, bridge, safe water supply line, power sub-station, and administration building at an expenditure of Tk 50 crore.

Fahmida Khatun, executive director of the Centre for Policy Dialogue, said because of the sluggishness in implementation, the pace of industrialisation is slowing.

"If the zones were developed as per schedule, factories would have been set up and jobs would have been created," she said, adding that they would have supported many other sectors indirectly.

"We take many programmes with a lot of enthusiasm, but they are not translated into reality on time."

Renata gets

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our businesses fast in European markets," said Jubayer Alam, company secretary of Renata.

The drugmaker announced a 145 per cent cash dividend and 10 per cent stock dividend for the year that ended on June 30 of 2021.

The company said its earnings per share rose 14 per cent year-on-year to Tk 25.62 in the first six months of the current financial year.

Renata started its operations in 1972 as Pfizer (Bangladesh) Ltd. In 1993, Pfizer transferred the ownership of its Bangladesh operations to the local shareholders and the name of the company was changed to Renata Ltd.

Biman to resume Dhaka-Toronto

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The airline has now a fleet of 21 aircraft, many of which are modern. Of them, Biman owns 18 and the rest is taken as a lease.

About Biman's flight on the Dhaka-Toronto route, Kamal said they have already completed all formalities to operate flights.

"We are hopeful to operate flights on the route from March 26."

M Mahbub Ali, state minister for civil aviation, said that if anyone in Biman was found to be involved in the false booking of tickets, he or she will be fired from the job.

"Besides, legal actions will be taken against them."

Allegations put forwarded by passengers against Biman staff being involved in the false booking of tickets are common.

The briefing was organised on the occasion of the re-launch of Biman's passenger service solution and online ticketing system.

Regarding the high fare on many Middle Eastern routes, Ali said the civil aviation ministry was working on the issue and would take measures so that the migrant workers from Bangladesh can fly to their destinations cheaply.

Over \$600m garment exports to Russia

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Russia is a growing export destination for Bangladesh's apparel items.

In the July-January period of the current fiscal year, the country sent garment items worth \$415.47 million, registering a 36.47 per cent year-on-year growth, data from the Export Promotion Bureau (EPB) showed.

Bangladesh shipped apparel items worth \$593.66 million to Russia in the last fiscal year, comprising \$373.25 million worth of knitwear items and \$220.41 million worth of woven items.

But any sanction on Russian lenders on using the SWIFT messaging system could hit Bangladesh's exports to the market.

Rajiv Chowdhury, managing director of Young4ever Textiles Ltd, started exporting knitted hoodies to Russia recently as he sees the country as a promising foreign market. He has sent the first consignment to a Russian buyer based in Turkey.

He exported garment items worth \$4 lakh in two consignments and received \$2 lakh as the payment for the first consignment.

"I have been given assurance that my Russian buyer will make the payment from Turkey as it has an office in the country. So, this time I may not face any challenge

in receiving the payment from my Russian buyer," said Chowdhury.

But the entrepreneur plans not to ship any goods to Russia until and unless the uncertainty over the SWIFT is resolved as he may face difficulties in getting export proceeds.

"We have already directed our members to stop shipments of garment items to Russia as the war is going on there and for the potential ban on the SWIFT use," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"We are worried about the Russian and Ukrainian markets. Uncertainty has been created in the payment and shipment following the outbreak of the war."

The BGMEA has instructed its members not to accept any new work orders from Russia to avoid any hassles in payments. "Russian buyers should clear payments as soon as possible so that they do not fall into any uncertainty in the time of Covid-19," Hassan said.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said they are worried about the payment problem due to the uncertainty over the use of SWIFT in Russia.

"We are not getting work orders from Russian buyers since the western

nation agreed to ban some Russian banks from using the SWIFT system. It will create a major barrier for us in the Russian markets."

The Russian market has been growing for Bangladesh since the fiscal year of 2009-10 when the government started paying an additional 4 per cent cash incentive on the exports to new or emerging markets to offset the impacts of the global financial crisis of 2007-08.

Before the incentive was introduced, the export of garment items to non-traditional markets was a few million dollars. It reached \$5.08 billion in the last fiscal year.

Bangladesh considers all countries as non-traditional markets except the UK, those in the EU, Canada and the US.

Between July and January, export receipts from the non-traditional markets were \$3.66 billion, an increase of 24.46 per cent year-on-year, according to the EPB.

Regarding the EU market, the largest export destination for Bangladesh, BGMEA's Hassan says the European markets are not posing any challenge as the business is going on as usual until now.

More than \$22 billion worth of garment items is shipped from Bangladesh to European countries, representing 64 per cent of the annual apparel export.