

Bank Asia to raise Tk 500cr by issuing bond

STAR BUSINESS REPORT

Bank Asia Ltd has received the nod to raise Tk 500 crore by issuing a perpetual bond.

The Bangladesh Securities and Exchange Commission approved the bond yesterday in a meeting, which was presided over by its chairman Prof Shibli Rubayat-Ul Islam.

Of the sum, Tk 450 crore would be raised through private placement and the rest through public offer, said the regulator in a press release.

The conditional convertible perpetual bond's coupon rate ranges from 6 to 10 per cent.

The bond would be issued to financial institutions, mutual funds, insurance companies, listed banks, regional rural banks, trusts, organisations, autonomous bodies, and eligible investors.

With the bond proceeds, Bank Asia will strengthen its additional tier-1 capital base.

UCB Investment is the trustee of the bond, while City Bank Capital Resources and IDLC Finance are the issue manager and the arranger, respectively.

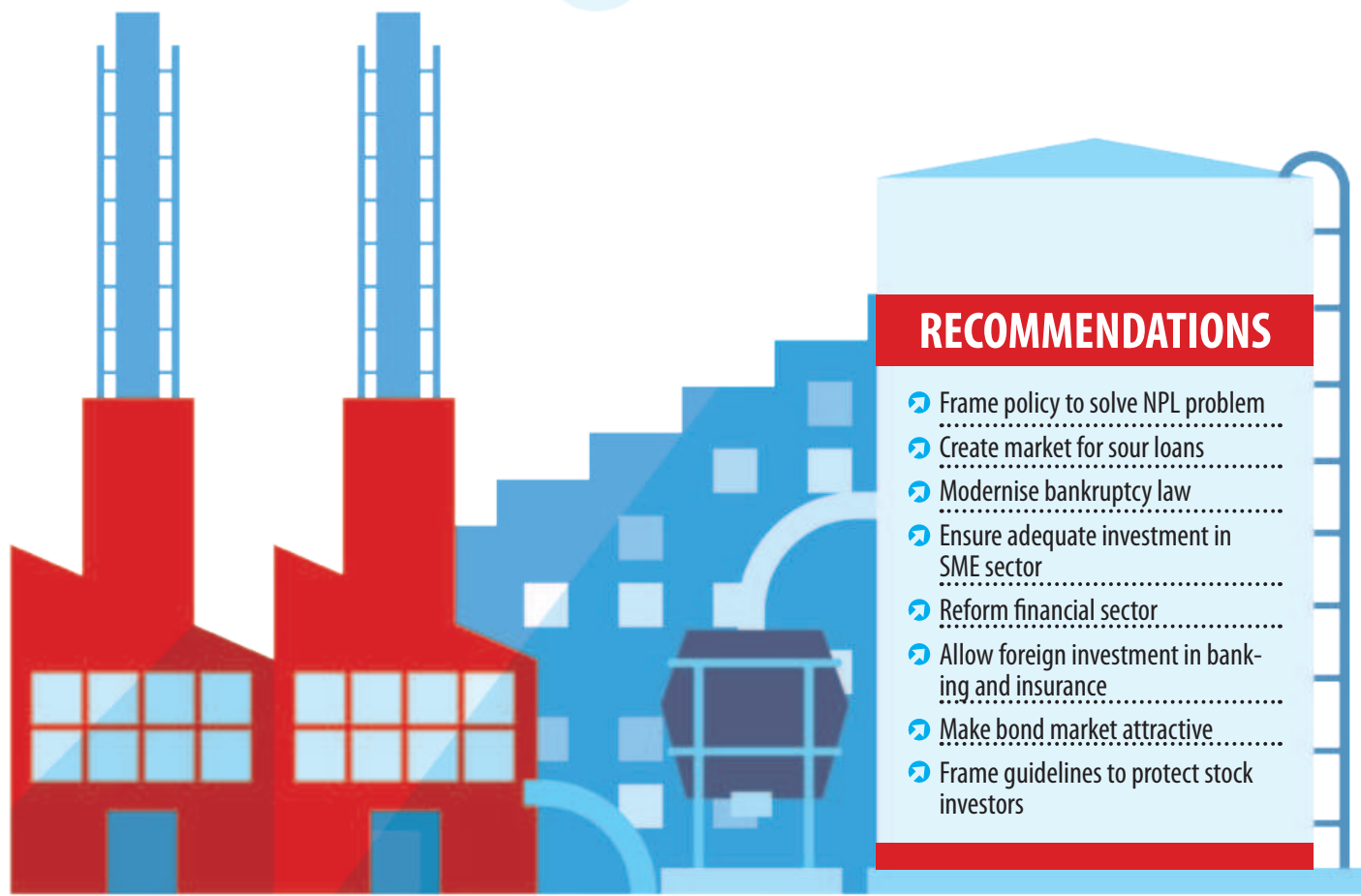
Toshiba CEO resigns

AFP, Tokyo

Toshiba's CEO resigned on Tuesday, adding fresh uncertainty weeks before a key shareholder meeting on a plan to spin off the Japanese conglomerate's devices unit.

Satoshi Tsunakawa had been chief executive for less than a year at the tech and industrial giant, which has lurched from crisis to crisis in recent years.

He will continue to serve as interim chair of the board of directors, Toshiba said in a statement.



Bida for adequate policy for NPL resolution

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The Bangladesh Investment Development Authority (Bida) will recommend formulating adequate policy measures for non-performing loan (NPL) resolution and NPL market creation to the government as it would lead to more foreign direct investment.

Bida's intention was disclosed at a post-workshop on the "International Investment Summit 2021", organised by Bida at Radisson Blu Dhaka Water Garden on Monday.

Bida will also recommend relevant entities to further liberalise the foreign exchange system to encourage foreign commercial borrowing and meet the demand for industrial financing.

The organisation emphasised modernisation of the bankruptcy law for business restructuring and post-Covid-19 recovery. It would also recommend extensive reforms in the financial sector to allow foreign investors to invest in banking and insurance services.

At the workshop, Commerce Minister Tipu Munshi said this edition of the International Investment Summit has successfully showcased Bangladesh's strengths and opportunities for investment. The country brought home around \$3 billion worth of investment commitments from the event.

"We have to work together as a team to

realise the full potential of investment," he said.

Munshi went on to say that the local economy has already taken off and just needs a more sustained inflow of foreign direct investment.

Salman F Rahman, private industry and investment adviser to the prime minister, said Bangladesh has built a solid foundation to support the growth of its economic activities as both foreign and local investment are given the highest priority by the government.

For example, the country's apex investment promotion agency, Bida, employs an open door policy for investors from all corners of the globe.

Bangladesh is often described as the land of untapped opportunities characterised by a stunning economic record. It also has a highly adaptive and competitive workforce, and potential industry sectors that were showcased at the summit, he added.

Ahmed Kaikaus, principal secretary to the Prime Minister's Office, said like other countries in the world, Bangladesh also has investment challenges which the government is quick to address.

"The strength of Bangladesh is that we adapt and for this reason, even amid the ongoing coronavirus our gross domestic product grew 6.94 per cent," he said.

That means the country is resilient and that it can absorb shocks before

RECOMMENDATIONS

- Frame policy to solve NPL problem
- Create market for sour loans
- Modernise bankruptcy law
- Ensure adequate investment in SME sector
- Reform financial sector
- Allow foreign investment in banking and insurance
- Make bond market attractive
- Frame guidelines to protect stock investors

rebounding quickly, Kaikaus added.

Nuzhat Anwar, acting country manager of the International Finance Corporation, said it was important to inform about the investment opportunities and their benefits in Bangladesh.

"I think we are on the right track," she said. Md Ariful Islam, director of the international investment wing at Bida, presented the keynote at the workshop.

Md Sirajul Islam, executive chairman of Bida, virtually joined the event due to illness. Bida Director Islam outlined 24 investment environment reform recommendations received through the International Investment Summit and Bida's plans for implementing them.

He also briefed on the pledges of top representatives of the governments of India, China, Japan, Saudi Arabia and the UK for investment cooperation, and Bida's steps to attract foreign investment from specific destinations.

The workshop highlighted investment agreements while more than \$3 billion worth of memorandums of understanding were received at the summit.

The International Investment Summit 2021 covered 11 prosperous sectors, such as garments and textiles, electrical, electronics manufacturing, plastics, leather and leather goods, agribusiness, healthcare and pharmaceuticals, capital markets, financial services, transportation, and logistics.

Unilever sees slight drop in profits

STAR BUSINESS REPORT

Profits of Unilever Consumer Care, formerly GlaxoSmithKline Bangladesh, dropped marginally in 2021 compared to the previous year due to the lower income from bank deposits.

The company's earnings per share fell 0.14 per cent to Tk 43.80 at the same time, down from Tk 43.94 in 2020.

Although its operating profit has increased by 32.5 per cent and EPS from continuing operation have improved by Tk 2.55 but overall EPS has marginally decreased due to lower net finance income resulting from lower interest rate, the company said in a disclosure yesterday that was posted at the Dhaka Stock Exchange (DSE) website.

Based on its profits, the multinational company announced a 440 per cent cash dividend for shareholders, which was the same in the previous year.

After announcing declining profits, stocks of Unilever Consumer Care dropped 6.18 per cent to Tk 2,939 at the DSE.

At present, its paid-up capital is Tk 12 crore, according to DSE data.

Sponsors of the company collectively hold 87.79 per cent of its shares, while institutional investors own 7.80 per cent and the rest are held by general investors.

Net operating cash flow per share of Unilever Consumer Care more than doubled to Tk 51.65 in 2021.

Significant increase in operating cash flow has resulted from higher sales growth and lower expenses for costs in 2021, Unilever Consumer Care said in the disclosure.

Higher inventory build-up in 2020 also caused the higher cash flow, it added.

Jaguar Land Rover pauses Russian deliveries

REUTERS, London

Luxury carmaker Jaguar Land Rover (JLR) on Tuesday paused the delivery of vehicles to Russia, saying the current global situation had presented it with trading challenges.

British Business Minister Kwasi Kwarteng welcomed the move and said it was part of a rapidly growing number of companies and governments that were seeking to isolate Russia over its invasion of Ukraine.

"The current global context also present us with trading challenges so we are pausing the delivery of vehicles into the Russian market and continually monitoring the situation on behalf of our global customer base," the company said in a statement. Britain's government has imposed harsh financial sanctions on Russia and several Russian companies and banks in a bid to pressure the Kremlin to pull back from the conflict.

Australia to continue

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are moving to a new level of partnership -- based on shared interests, values and people-to-people connection, increasingly marked by the dynamism of the commercial ties.

Formed under the Trade and Investment Framework Arrangement (TIFA) between Australia and Bangladesh, the JWG meeting had productive discussions on general trade issues, trade in goods and services, trade facilitation, promotion of

investment, energy and defence collaboration, among others.

Australia also agreed to initiate a study on prospects of greater trade and investment flow for adding dynamism in economic ties.

The JWG agreed to involve relevant private sectors and encouraged institutional linkages between apex trade bodies of the two countries to further strengthen bilateral trade.

The two countries also

agreed to enhance industry connections between Australian exporters of raw materials like cotton, wool, hides and importers, manufacturers in Bangladesh.

Meanwhile, Australia also expressed keenness to explore investment opportunities in infrastructure, energy, mining and ICT sectors in Bangladesh.

The next JWG meeting will take place in Bangladesh early next year.

Rosatomb rules out

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director of a private bank said any sanctions imposed by the western nations will create complexities in running the business between Bangladesh and Russia.

However, an official of the Economic Relations Division said there is no possibility of the implementation of the power plant getting stuck as the fund is disbursed in Russia, from where the Russian contractors draw

their bill.

In 2015, Rosatom and the Bangladesh Atomic Energy Commission signed a general contract for constructing the plant, consisting of two power units with a capacity of 1,200 megawatts each.

The plant is expected to become operational from 2023, months ahead of the scheduled 2024 timeframe, said Shaukat Akbar, project director, in the last quarter of 2021.

GP first to introduce

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present and future. eSIM is one of the many eco-friendly steps from us," he added. To obtain a Grameenphone eSIM connection, customers can visit Grameenphone Experience centres in Dhaka and Chattogram or the select Grameenphone centres that have eSIM supported devices, fulfill the biometric registration process and request an eSIM.

By following the process of SIM purchase, an eSIM request can also be placed on Grameenphone's online shop.

An eSIM enabled device, a working camera of the respective device to scan the QR code, and an active internet connection are required to activate the eSIM, eliminating all the logistical hassle of a physical SIM card.

ADP to see sharpest

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The budget for the power and energy division may decrease by Tk 6,653 crore to Tk 39,214 crore.

The education ministry's development budget may stand at Tk 20,824 crore, down Tk 2,353 crore from the actual allocation of Tk 23,177 crore.

Every fiscal year, the government unveils a large ADP but the size

trims towards the end of the year. Sometimes, the expenditure falls below the revised target.

For example, in FY2020-21, an ADP of Tk 205,144 crore was approved, but it was later reduced to Tk 197,643 crore.

The IMED said in a report that Tk 172,050 crore was spent in the year, while the finance ministry put the figure at Tk 155,428 crore.

China now buys more Iranian oil than before

REUTERS, Singapore/London

China's purchases of Iranian oil have risen to record levels in recent months, exceeding a 2017 peak when the trade was not subject to US sanctions, tanker tracking data showed.

The ramping up of the purchases by the world's top oil importer comes amid talks between Tehran and world powers to revive a 2015 nuclear deal that will lift US sanctions on Iranian oil exports. The talks have intensified in recent weeks.

A return of Iranian oil will ease tight global supplies and cool crude prices that have touched \$100 a barrel following Russia's invasion of Ukraine.

Chinese imports exceeded 700,000 barrels per day (bpd) for January, according to estimates of three tanker trackers, surpassing the 623,000 bpd peak recorded by Chinese customs in 2017 before former US President Donald Trump reimposed sanctions in 2018 on Iranian oil exports.

One tracker estimated imports amounted to 780,000 bpd in November-December on average.

US President Joe Biden's administration has so far chosen not to enforce the sanctions against Chinese individuals and companies amid the negotiations on reviving the 2015 deal.

Record Chinese purchases of Iranian oil would mean less supply will be available to Tehran's previous buyers like Indian and European refiners should the sanctions be removed and the Islamic republic be allowed to resume oil exports, traders said.

It would also mean that cheaper Iranian oil will continue to crowd out rival supplies from Brazil and West Africa, they said.

When asked for a comment by Reuters, China's foreign ministry declined to go into details but reiterated that Beijing opposes Washington's long-arm jurisdiction and urges Washington to remove unilateral sanctions.

Local textile sales

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says spinners and weavers now produce more polyester fabrics as China has cut back the production of the item because of the higher cost of production.

Moreover, many Bangladeshi importers can't make a profit by importing the fabrics by paying higher freight charges, which rose to unprecedented levels owing to the pandemic. So, they are sourcing the products from local mills, he said.

The value addition is 20 per cent higher in synthetic fabrics than cotton-made fabrics.

"As a result, the millers have found a ready market and are producing more now compared to two years ago."

The acute power outage faced by Chinese factories has also helped grow Bangladesh's local fabrics market, as many importers are not buying the item from the country now.

Abdullah Al Mamun, director of Abed Textile Processing Mills, says the higher price of yarn fuelled by a high cost of cotton in international markets has affected the local clothing and fabrics markets to some extent.

Nearly 30 per cent of smaller mills that mainly serve the local customers are suffering as they can't afford the pricier textile raw material produced from expensive imported cotton, he said.

"Smaller mills can't afford the high price of yarn and fabrics as their capital base is not as strong as the large primary textile mills."

BTMA's Khokon says the local market is growing but has slowed because of the pandemic Covid-19. Moreover, the sales of undeclared fabrics are affecting the growth of the domestic market.

Remittances hit

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The high import payment along with decreasing remittance have already brought a negative impact to the country's foreign exchange reserves, which stood at \$45.13 billion on January 26 in contrast to

\$46.4 billion on June 30 last year.

Emranul Huq, managing director of Dhaka Bank, said the central bank might consider depreciating the local currency against the US greenback given the peers of Bangladesh.

Such an initiative will encourage remitters to send their hard-earned money through banking channels. Between June and February this fiscal year, remittances stood at \$16.68 billion, a decrease of 19.4 per cent year-on-year.