

MTB distributes loan to marginal farmer cluster in Bogura

STAR BUSINESS DESK

Mutual Trust Bank (MTB) arranged an open loan disbursement programme at Darail Bazar, Gabtoli in Bogura for the marginal Tk 10 account holders.

Under this financial inclusion initiative, the marginal farmers were handed over loan disbursement cheques to finance their cow fattening business activities, said a press release.

Shaikh Md Salim, executive director of Bangladesh Bank Bogura office, distributed cheques among the farmers.

Md Khalid Mahmood Khan, deputy managing director of MTB, presided over the event, where Md Aktarul Islam, deputy general manager of Bangladesh Bank Bogura office, Sanjib Kumar Dey, head of SME banking division at MTB, and Syed Mahbub Morshed, head of branch banking division, were present.

Shell to invest \$33b in UK energy sector

REUTERS

Shell will invest up to 25 billion pounds (\$33 billion) into the energy system in Britain over the next decade, a senior executive at the oil major said, and over 75 per cent of which will be funnelled into zero-carbon products and services.

Shell plans to invest between 20 billion pounds and 25 billion pounds, David Bunch, head of the company's UK operations, said on Wednesday in a post on networking site LinkedIn, and mentioned offshore wind, hydrogen and electric mobility as focus areas.

The plans come weeks after the British energy company said it would withdraw completely from any involvement in Russian hydrocarbons.



Recipients of the "BASIS Luna Shamsuddoha Award" organised by the Bangladesh Association of Software and Information Services are seen with guests at the presentation ceremony at Radisson Blu Dhaka Water Garden in Dhaka recently. PHOTO: COLLECTED

10 women, 3 firms get BASIS Luna Shamsuddoha Award

STAR BUSINESS REPORT

Ten women and three companies have recently received a "BASIS Luna Shamsuddoha Award" for contributions in their respective fields.

The Bangladesh Association of Software and Information Services (BASIS) organised the awarding ceremony at Radisson Blu Dhaka Water Garden.

The BASIS introduced the annual award this year to commemorate contributions of Luna Shamsuddoha, a pioneering information and communications technology (ICT) entrepreneur of Bangladesh, to the local ICT industry.

In 1992, when people of the country knew little about computers and the internet, Luna Shamsuddoha founded Dohatec New Media to provide software solution designs and development services to institutions, government agencies and corporations globally.

Dohatec has a global client base including World Bank, Pan American Health Organization, World Health Organization and United States Postal Service in Washington DC, and United Nations Development Programme in Dhaka.

It has also built e-procurement systems for Bhutan and Nepal.

Luna Shamsuddoha was the first woman to be the chairman of state-owned Janata Bank and the founding president

of the Bangladesh Women in Technology. She was also a former board member and director of BASIS Executive Council.

She breathed her last on February 17, 2021.

Geeteara Safiya Choudhury, chairman of GraphicPeople and Adcomm and former adviser to a caretaker government, was presented a "Lifetime Achievement Award".

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The other recipients are Zuena Aziz, principal coordinator (SDG Affairs), Prime Minister's Office; Saida Muna Tasneem, high commissioner of Bangladesh to the United Kingdom; Amena Begum, deputy inspector general of police at Bangladesh Police; Haseena Khan, microbiologist and professor of biochemistry and molecular biology at the University of Dhaka; Sonia Bashir Kabir, founder and managing partner of SBK Tech Ventures and SBK Foundation; Rawshan Arra

Khanam, consultant at the department of respiratory medicine at United Hospital; Senjunti Saha, director of Child Health Research Foundation, Bangladesh; Humaira Azam, managing director & chief executive officer of Trust Bank, and Tamara Hasan Abed, managing director at Brac Enterprises.

Awards for employing the highest number of women went to Genex Infosys in BPO company category, BJIT in software company category and social enterprise Dnet in a male-female ratio category. All are members of the BASIS.

A panel discussion was also held on "Women's Contribution in Economy and Participation" at the ceremony.

Speaker Shirin Sharmin Chaudhury of Bangladesh Parliament was the chief guest.

Dipu Moni, education minister, Salman F Rahman, private industry and investment adviser to the prime minister, and Zunaid Ahmed Palak, state minister for ICT, were the special guests.

Lilly Nicholls, Canadian high commissioner to Bangladesh; Nathalie Chuard, Swiss ambassador to Bangladesh; Rupali Chowdhury, managing director at Berger Paints Bangladesh; and Syeda Rizwana Hasan, executive director at Bangladesh Environmental Lawyers Association, were the guests of honor.

BASIS President Russell T Ahmed presided over the event.

Bashar new CRO of DSE

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission has approved the appointment of Khairul Bashar Abu Taher Mohammad, chief executive officer of MTB Capital Ltd, as the new chief regulatory officer of the Dhaka Stock Exchange (DSE).

The stock market regulator issued a letter in this regard on Wednesday.

Bashar, who has vast experience in stock market portfolio management, financial risk, risk management, corporate finance, and banking, replaced Shawkat Jahan Khan, who resigned in November, two months after joining the premier bourse of the country. He joined MTB Capital on March 1, 2011, as the CEO of the merchant bank. He contributed to the listing of several small and medium enterprises to the SME board of the DSE by acting as their issue manager.

The commission had also approved the appointment of M Asheq Rahman as the CRO of the DSE on July 7, 2021, only to cancel it on July 19 for the disagreement over terms and conditions.

ECB squeeze leaves room for fiscal war response

REUTERS, London

European countries have to shoulder the burden of the economic response to the war in Ukraine. That will add to the debt loads accumulated during the pandemic, at a time when the European Central Bank is pushing up borrowing costs. But governments can afford to be bold.

In normal times, the classic policy response to a jump in energy prices would be to let households and businesses absorb the shock. Governments would not cushion the blow with price controls, and central banks would not worry too much about temporary inflation.

This time, however, neglecting the inflation threat could force the ECB to take tougher measures later. Prices were already rising by an annual 5 per cent in January, and the Organisation for Economic Co-operation and Development sees the energy shock adding a further 2 percentage points to inflation this year. That's why the ECB has scheduled the end of its bond purchases, and may even raise interest rates this year.

The tighter policy comes at a bad time for governments, who still have to help their economies absorb higher energy prices and an influx of refugees, and boost defence spending. Bruegel estimates that the fiscal cost could reach 4 per cent of GDP. Gross debt in the euro zone had already risen to a little under 100 per cent of GDP, with Italy's at 150 per cent.

Hallmark scam hangs heavy

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disbursement is followed with due diligence," he added.

Bangladesh Bank unearthed the more than Tk 3,500 crore loan scam at Sonali Bank's Ruposhi Bangla Hotel branch in May 2012. Of the sum, Hallmark alone took Tk 2,686 crore using forged documents in connivance with some bank officials.

The loan-deposit ratio of the country's largest lender is not at a satisfactory level, which is why the bank should speed up its loan disbursement, Kabir said.

For instance, deposits in the bank, which was established in 1972, stood at Tk 135,016 crore as of December last year, when it disbursed loans amounting to Tk 69,012 crore.

"Bankers cannot have shining careers if they shy away from disbursing loans," he said.

"On top of that, the bank's loan processing system also faces weaknesses. The lender should disburse loans at a faster pace," added Kabir, who was chairman of Sonali Bank before taking up his current position.

He suggested the lender give out more loans to the cottage, micro, small and medium enterprises.

Although the bank is providing different types of government services dedicated to commoners, the bank should be more client-friendly, Kabir said.

Abdur Rouf Talukder, senior secretary of the finance ministry, said reducing the ratio of non-performing loans in Sonali Bank was not good enough as it should also reduce the volume of bad assets.

As of December last year, default loans at the bank stood at Tk 10,351 crore, which is 19 per cent of its outstanding loans, central bank data showed.

"The state-run lender is yet to enrich its automation process in keeping with the times," he said before going on to say that the bank would not be able to compete with other lenders if it fails to offer its services digitally.

"We have to keep in mind that the common people will not go to banks to get financial services after five years due to the ongoing digitalisation programmes," Talukder added.

Finance Minister AHM Mustafa Kamal said many businesses would have been abolished during the pandemic had the government not set the 9 per cent interest cap on lending. Borrowers had earlier counted interest rates of between 18 and 19 per cent, which was rare across the globe.

Local businesses subsequently might have faced a crisis to compete with foreign firms on a global scale due to the high price of products, Kamal said.

The high-interest rate pushed up production costs and ultimately eroded their competitive capacity in the global market, which is commonplace for every business.

"It is a good thing that the government was not required to refinance state-run lenders in recent years to address their capital shortfall," Kamal said.

All state banks now enjoy profit, which is a sign of the good financial health

enjoyed by them, he added.

Ataur Rahman Prodhan, managing director of Sonali Bank, said foreign investors do not usually show interest in banks that face a capital shortfall.

But Sonali Bank can become one of the top lenders if it manages the problem of capital shortfall efficiently.

In addition, the bank also faces extra costs to open letters of credit due to the shortfall, he said.

"We have applied to the finance ministry by mentioning some proposals in order to resolve the problem," Prodhan added. Sonali Bank faced a capital shortfall of Tk 3,639 crore as of December last year.

Atiur Rahman, a former governor of the central bank, said Sonali Bank has an impressive track record of expediting financial inclusion in the country.

Ziaul Hasan Siddiqui, chairman of Sonali Bank, presided over the meeting.

Bepza economic

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executive director (investment promotion), Md Khorshid Alam, executive director (enterprise services), and Md Hafizur Rahman, project director of the Bepza economic zone, were present.

Till date, Bepza has signed lease agreements with five other companies to set up industrial units in its economic zone at the BSMSN.

The five companies will invest \$60 million collectively, creating employment opportunities for around 23,582 Bangladeshi nationals.

Tannery, textile profits

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the garments sector suffered a 35 per cent pay cut during the lockdown for the ongoing pandemic last year, according to a study report "The Weakest Link in the Global Supply Chain: How the Pandemic is Affecting Bangladesh's Garment Workers".

"While the industry suffered from the closure of markets, suspended shipments, delayed payments and a liquidity crisis, Bangladeshi workers suffered what was in effect a 35 per cent pay cut during the lockdown month," the study said.

However, the business situation has changed and the market bounced back strongly after the first blow of the pandemic, added Chowdhury.

In order to bag the higher demand and orders from abroad, the apparel sector is now investing their funds.

Investments worth over Tk 4,200 crore are being used to expand and modernise production facilities of the apparel sector, according to industry insiders.

In the tannery industry, earnings of Bata took a drastic fall due to the loss of retail business during 2020's major festivals - Eid-ul-Fitr, Eid-ul-Azha, Puja and Pahela Baishakh - due to the countrywide lockdown for the Covid-19 pandemic.

The festival sales cover 25 to 30 per cent of the company's yearly business.

An estimated 77 per cent of rural business leaders like dealers and/or wholesalers have been

particularly impacted due to Covid-19, which led to them losing their business, it said.

The company's business went down by 41 per cent in 2020, the disclosure added. Another giant tannery company Apex Footwear also went through the same losses in the year.

Apart from the tannery and textile sectors, ceramics, engineering, food & allied, fuel and power and miscellaneous sectors also witnessed a drop in their profits in the year of crisis.

Profits of the ceramic sector plunged 60.9 per cent, followed by engineering (60.5 per cent), food & allied (40.5 per cent), miscellaneous (19.4 per cent) and fuel and power (6.9 per cent), the data shows.

The pharmaceuticals sector was, however, in a better position among all the sectors in 2020 and its profits more than doubled.

A top official of a leading pharmaceutical company, preferring anonymity, said the average profit growth was high as some companies' profits rose by manifold.

But most of the companies saw double digit profit growth from 15 per cent to 20 per cent, he said, adding that their sales were also impacted as prescription-based medicine sales dropped during the pandemic.

Profits of the NBF sector surged 19 per cent, telecom sector (10 per cent), and banking sector (4 per cent) in the same period, according to the UCB Asset Management data.



Md Monzur Mofiz, managing director of One Bank Ltd, and Tanzim Alamgir, managing director of UCB Investment Ltd, cut a cake to celebrate the closure of One Bank Perpetual Bond worth of Tk 400 crore as a placement agent at the lender's head office in Dhaka on Wednesday. PHOTO: UCB



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, virtually addresses a "Business Development Conference" for Cumilla zone at a local hotel in Cumilla recently. Muhammad Qaisar Ali, additional managing director, and Md Nayer Azam, deputy managing director, were present. PHOTO: ISLAMI BANK BANGLADESH

Paper price hike hands fresh

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"We have to increase the prices of exercise books by around 10 per cent to adjust the increased costs," the official said.

Mosharraf Hossain, a proprietor of Zaman Paper in the city's Motijheel area, says the price of all categories of papers increased by Tk 100 to Tk 350 per ream, which consists of 500 identical sheets.

A ream of offset paper imported from Indonesia was sold at Tk 250 to Tk 260 at the wholesale level a week ago. Now, it costs

Tk 400, said Mohammad Mamun, who runs a stationery shop in the city's Karwan Bazar.

One ream of white papers produced in Bangladesh was sold at Tk 330 a week ago whereas the price now stands at Tk 362.

"When we asked why the price has gone up, suppliers said that the cost of pulp and chemicals has gone up," said Mamun.

The price of exercise books has gone up by Tk 10 to Tk 20, said Ujjal Hossain, a salesman at a stationery store in West Tejuri Bazar.

"The supplier told me that the price would increase by another Tk 5 to Tk 10 when he returns to deliver products next week," Arman Hossain, who works at a footwear company, says the exercise book that he bought for his daughter at Tk 35 previously cost him Tk 45 on Tuesday.

"It will be difficult to bear educational expenses if essential educational items such as exercise books become expensive," said Rima Jahan, a student of the University of Dhaka.