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Prime Bank

Govt issues export policy for FY21-24

STAR BUSINESS REPORT

The government yesterday published a gazette on the export policy for fiscal years 2021-24, saying it was extending more policy and fiscal support, rationalising corporate tax and offering bonded warehouse facilities.

The new export policy orders, aiming to encourage exploration of new markets and products as the government looks to give a much-needed boost to export earnings, will come into immediate effect, according to the notification.

In the new export policy, the government laid emphasis on growing an export-led economy and generation of more employment so as to offset the Covid-19 induced challenges.

It is expected that the new export order policy will be able to combat the challenges of the country's graduation from a least developed to a developing nation by 2026.

The government has set an ambitious goal of shipping \$80 billion worth of products by 2024.

Usually, the export policy is formulated every three years. But, the government has extended the tenure of the export policy of fiscal years 2018-21, which expired in June

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AFFORDABLE INTERNET

Bangladesh meets UN target

STAR BUSINESS REPORT

Bangladesh has met the affordability target on internet prices set by the United Nations Broadband Commission for Sustainable Development in 2021.

The information was revealed in a recent report of the International Telecommunication Union (ITU) and the Alliance for Affordable Internet, giving a high-level overview of the results from the 2021 price data collection exercise, focusing on changes in affordability.

In 2018, the commission set its updated affordability target: to bring prices for entry-level broadband services below 2 per cent of the average monthly gross national income per capita by 2025.

According to the report, among the economies for which data were available for both 2020 and 2021, fewer met the affordability target in 2021 than in 2020.

Only 96 economies hit the goal with regard to the data-only mobile broadband basket in 2021, seven less than the previous year, and only 64 economies reached the target with respect to the fixed broadband basket, down by two from the previous year.

Bangladesh met the target of affordability for both broadband and mobile internet, according to the report.

The prices of broadband baskets remained far above the 2 per cent target for most of the least-developed countries (LDCs). Of the 18 economies where mobile broadband internet access cost more than 10 per cent of GNI per capita, 16 were LDCs.

Only four LDCs – Bangladesh, Bhutan, Myanmar and Nepal – met the broadband target in 2021.

Bhutan and Myanmar achieved the goal thanks to the affordability of data-only mobile broadband and Nepal due to fixed broadband.

Mustafa Jabbar, telecom minister, applauded the achievement, saying the government's decision to fix broadband prices played a crucial role in lowering internet prices.

In June last year, the Bangladesh

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Mir Akhter Hossain to set up steel plant

STAR BUSINESS REPORT

Mir Akhter Hossain, one of the country's biggest construction companies, is going to establish a steel manufacturing plant to meet its own demand for the key raw material in the construction of buildings and infrastructure such as bridges.

The company directors decided to form a subsidiary called Mir Steel Mills, read a Dhaka Stock Exchange (DSE) website post yesterday.

The company buys a huge amount of rod from steel manufacturers every year and now it has become one of the country's biggest consumers, said Company Secretary Md Masbuh Sunnah.

So, the board decided to manufacture steel through its own plant, he said.

The idea is to have something like a composite company, itself producing almost all its raw materials, he said, adding Mir Akhter Hossain has a cement company and a ceramic company to cater to its own demand.

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STOCKS	
DSEX ▼	CSCX ▼
0.16%	0.27%
6,741.55	11,861.56

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▲	
\$1,958.38	\$112.56	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.41%	▲ 0.14%	▲ 0.41%	▼ 1.17%	
57,362.20	28,149.84	3,413.69	3,212.24	

Sales growth of MNCs

In %; SOURCE: UCB ASSET MANAGEMENT



- REASONS OF SUCCESS
- MNCs are managed more professionally
- They can forecast demands correctly
- They maintain supply chain for raw materials efficiently
- They are more experienced in riding out difficult periods

MNCs on a roll

AHSAN HABIB

Among all the listed firms in Bangladesh, business of multinational companies (MNCs) has been growing steadily driven by efficiency, focus on quality and proper management of resources compared to their local counterparts.

Their sales and profit growth has been consistent almost every year and they have distributed the highest dividends to the shareholders as well.

The average sales growth of the listed MNCs was 9.41 per cent from 2015 to 2020 and the profit growth stood at 9.22 per cent, according to data compiled by UCB Asset Management.

As a result, they comfortably outpaced the listed local companies as the average sales growth of the domestic firms was 6.7 per cent whereas their profit growth dropped 1.4 per cent during the six-year period.

In 2020, all the listed companies went through upheavals due to economic pressures caused by the pandemic, but MNCs were less impacted. Profits of all the listed companies plunged 34 per cent on average in the year, while the MNCs' profits dropped only 10 per cent.

"The MNCs are managed professionally, forecast demands correctly, and maintain the supply chain for the raw materials efficiently based on research," said Shahidul Islam, chief executive officer of VIPB Asset Management.

As they maintained a good relationship with suppliers at home and abroad and are experienced in riding out difficult periods, they were able to source raw materials at a competitive price at a time when the whole world was facing another major supply chain disruption because of the Russia-Ukraine war.

One of the major characteristics of MNCs is they don't aim for short-term profits. Rather, they target long-term profit and value consumers' loyalty, paving the way for ensuring consistency in profits decades after decades.

Thanks to products, services and innovation, the customers trust MNCs most as they find them reliable.

Except for the pandemic-hit 2020, the MNCs' average sales growth was in double-digit every year during the five-year period, showed the data from UCB Asset Management.

The growth was 11 per cent, 15 per cent, 10 per cent, and 11 per cent respectively in 2016, 2017, 2018, and 2019.

The companies follow the basic thing of adding value both to their customers and shareholders, Islam said.

So, they disburse profits as much as possible, while the directors of most of the local listed companies use their clout over the companies to ensure benefit for them but they hesitate when it comes to sharing fortunes with general shareholders, Islam said. UCB Asset Management has most of its investment in multinational companies.

Only Bata Shoe and Heidelberg Cement incurred loss in 2020.

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Debt Capital Market Transaction

Syndicated Term Facility of BDT 1,300 Million

For

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Wholesale traders in the capital's Sadarghat have started to stock up on dates for upcoming Ramadan, the month of fasting for Muslims, with varieties ranging from Tk 120 per kilogramme to some which are even Tk 2,000 per kilogramme. The photo was taken on Saturday.

PHOTO: RASHED SHUMON

Pandemic and war rattle globalisation

AFP, Paris

Globalisation, which has both fans and detractors alike, is being tested like never before after the one-two punch of Covid and war.

The pandemic had already raised questions about the world's reliance on an economic model that has broken trade barriers, but made countries heavily reliant on each other as production was delocalised over the decades.

Companies have been struggling to cope with major bottlenecks in the global supply chain.

Russia's war in Ukraine has raised fears about further disruptions, with everything from energy supplies to auto parts to exports of wheat and raw materials under threat.

Larry Fink, the head of financial giant BlackRock, put it bluntly: "The Russian invasion of Ukraine has put an end to the globalisation we have experienced over the last three decades."

"We had already seen connectivity

between nations, companies and even people strained by two years of the pandemic," Fink wrote in a letter to shareholders on Thursday.

But US Treasury Secretary, Janet Yellen, disagrees.

"I really have to push back on that," she told CNBC in an interview.

"We're deeply involved in the global economy. I expect that to remain, it is something that has brought benefits to the United States, and many countries around the world."

Shortages of surgical masks at the outset of the pandemic in 2020 became a symbol of the world's dependence on Chinese factories for all sorts of goods.

The conflict between Russia and Ukraine has raised concerns about food shortages around the globe as the two agricultural powerhouses are among the major breadbaskets of the world.

It has also put a spotlight on Europe's -- and especially Germany's -- heavy dependence on gas supplies from Russia, now a state under crippling sanctions.

"A number of vulnerabilities" have

emerged that show the limits of having supply chains spread out in different locations, the former director general of the World Trade Organisation, Pascal Lamy, told AFP.

The global trade tensions have prompted the European Union, for instance, to seek "strategic autonomy" in critical sectors.

The production of semiconductors -- microchips that are vital to industries ranging from video games to cars -- is now a priority for Europe and the United States.

"The pandemic did not bring radical changes in terms of reshoring (bringing back business from overseas)," said Ferdi De Ville, professor at Ghent Institute for International & European Studies.

"But this time it might be different because (the conflict) will have an impact on how businesses think about their investment decisions, their supply chains," he said.

"They have realised that what was maybe unthinkable before the past month has now become realistic, in

terms of far-reaching sanctions," said de Ville, author of an article on "The end of globalisation as we know it".

The goal now is to redirect strategic dependence towards allies, what he coined as "friend-shoring" instead of "off-shoring".

A US-EU agreement Friday to create a task force to wean Europe off its reliance on Russian fossil fuels is the most recent example of friend-shoring.

For Lamy, this shows "there is no de-globalisation". Globalisation, he said, is "an animal that evolves a lot".

Globalisation had already faced an existential crisis when former US president Donald Trump launched a trade war with China in 2018, triggering a tit-for-tat exchange of punitive tariffs.

His successor, Joe Biden, invoked the need to "buy American" in his sweeping investment plan to "rebuild America".

"We will buy American to make sure everything from the deck of an aircraft carrier to the steel on highway guardrails are made in America," he said in his State of the Union speech.

What can banks and financial

FROM PAGE B4

Banking Alliance (NZBA) to unite the banking sector to reduce GHG emission through setting intermediary

SMART targets and thus reaching the net zero emission or carbon neutral by 2050.

In Bangladesh, IDLC Finance Ltd is the only financial institution that has been a signatory member of the UNEP FI since 2010 and signed the CCCA and NZBA agreements in 2019 and 2021, respectively, to reach the net-zero emission by 2050 through its internal operation and loan portfolio.

It is high time that other banks and FIs came forward to combat climate change and address GHG emission through their operation and loan portfolio. By setting SMART targets and developing a sustainable portfolio, banks and FIs can achieve net zero emission, which would ultimately

help in decreasing the global temperature and increasing environmental, economic and social sustainability.

Bangladesh, as a member of the UN and a signatory of the Paris Agreement, has a responsibility of integrating imminent constructive strategies to mitigate carbon emission and thus alleviate the drastic climate change.

Banks and FIs are responsible for infusing development in the economy and thus can play an active role in mitigating climate change. In this regard, being the regulatory body, the Bangladesh Bank has been playing a vigorous role in guiding the banks and FIs to decrease the global temperature and GHG emission.

Introducing the Sustainable Finance Policy in 2020, compelling banks and FIs to set annual targets in green and sustainable

finance, rolling out various refinancing/pre-financing schemes for green and sustainable finance, and increasing awareness among the stakeholders are some commendable measures undertaken by the BB.

We believe the central bank will also come up with pragmatic targets for the banks and FIs for reducing carbon emission to attain sustainability in line with the global banking sector.

If we do not take imminent actions, we will fail to conserve nature and this will drastically hit us where our own existence would become questionable. So, along with various other sectors, banks and FIs must also contribute to this effect vigilantly.

The author is head of corporate at IDLC Finance Ltd. He can be reached at mahmed@idlc.com.

Samsung chief's mother sells stakes

FROM PAGE B4

two days after her two daughters -- Lee Boo-jin, Hotel Shilla president, and Lee Seo-hyun, director of the Samsung Welfare Foundation -- sold their combined 3.9 per cent shares in Samsung SDS, the IT solutions unit, to secure 400 billion won in cash.

Last year, the Samsung family announced plans to pay the whopping 12 trillion won in inheritance taxes for the next five years following the death of the Samsung patriarch in 2020.

Taxes for inherited shares make up most of the total amount: 3.1 trillion won for Hong, 2.9 trillion won for Lee Jae-yong, the only son, 2.6 trillion won for Boo-jin, the elder daughter, and 2.4 trillion won for the youngest Seo-hyun.

Because they own stakes

in key affiliates, their stake sales are closely watched as they are directly linked to the family's control over the nation's largest conglomerate.

"Given more than 50 per cent favorable shares owned by Samsung affiliates and the owner family, the impact seems limited in their governance structure," said Choi Kwan-soon, an analyst at SK Securities.

Due to an increase in supply, share prices usually fall after a big sell-off. But he predicted a limited impact over the long term, saying the stake sale has nothing to do with the business fundamentals of Samsung companies.

On Thursday, Samsung Electronics shares closed at 69,800 won, down 0.99 per cent from the previous trading day.

Russian sanctions could be lifted with Ukraine withdrawal: UK

REUTERS, London

British foreign minister Liz Truss says sanctions imposed on Russian individuals and companies could be lifted if Russia withdraws from Ukraine and commits to end aggression, the Telegraph newspaper reported on Saturday.

Britain and other Western nations are using economic sanctions to cripple the Russian economy and punish President Vladimir Putin for invading Ukraine, seeking to press him to abandon what he calls a special military operation to demilitarise and "denazify" Ukraine.

In an interview with the Telegraph, Truss held out the possibility the measures could end if Moscow changed course. "What we know is that Russia signed up to multiple agreements they simply don't comply with. So there needs to be hard levers. Of course,

sanctions are a hard lever," she said.

"Those sanctions should only come off with a full ceasefire and withdrawal, but also commitments that there will be no further aggression. And also, there is the opportunity to have snapback sanctions if there is further aggression in future. That is a real lever that I think can be used."

The British government says it has so far imposed sanctions on banks with total assets of 500 billion pounds (\$658.65 billion) and oligarchs and family members with a net worth of more than 150 billion pounds.

Truss also suggested that the crisis had brought Britain and the European Union closer after the relationship became badly strained in the wake of Brexit.

"One of the points I would make about this crisis is we have worked very, very closely with the European Union," she said.

Kuwait-Saudi deal to develop gas field illegal: Iran

AFP, Tehran

Iran on Saturday branded "illegal" a deal reached between Kuwait and Saudi Arabia to develop a disputed gas field in the Gulf, insisting on its right to also exploit it.

The energy ministers of the Gulf Arab states signed an agreement on Monday to develop the Arash/Dorra gas field, according to an official Kuwaiti statement.

The move comes with energy prices soaring on world markets in the wake of Russia's invasion of Ukraine.

Iran's foreign ministry dismissed the agreement as "illegal" on Saturday, saying it was "contrary to current procedures and previously held negotiations".

"The Islamic Republic of Iran reserves its right to exploit the Arash/Dorra gas field," the ministry's spokesman Saeed Khatibzadeh said in a statement.

"Any action for the operation and development of this field must be done in coordination with and cooperation of all the three countries."

The dispute dates back to the 1960s, when Iran and Kuwait each awarded an offshore concession, one to the former Anglo-Iranian Petroleum Co., which became part of BP, and one to Royal Dutch Shell.

The two concessions overlapped in the northern part of the field, whose recoverable reserves are estimated at some 220 billion cubic metres (seven trillion cubic feet).

Maddhapara granite extraction resumes

OUR CORRESPONDENT, Dinaipur

Granite extraction from mines at Parbatipur upazila of Dinaipur resumed yesterday following a 15-day suspension for a lack of explosives.

Maddhapara Granite Mining Company, under state-owned Petrobangla which manages the country's oil, gas and mineral resources, engaged Germania Trest Consortium (GTC) in a contract to develop and maintain its mines.

Under the contract, the Maddhapara company is supposed to supply the GTC with ammonium nitrate, an industrial chemical commonly used as an explosive for quarrying and mining activities.

A senior official of the Maddhapara company, seeking anonymity, confirmed that they had stopped supplying the GTC with the explosives required for which extraction activities were suspended on March 12.

Officials of the Maddhapara company said the situation had stemmed from a global supply shortage of explosives and so mining activities would resume as soon as possible.

A general manager of the company said they have been working to procure explosives for the last six months but have so far failed for various reasons. For example, a tender was floated thrice in the last six months but they did not receive any response from potential bidders.

The Maddhapara company finally procured the explosives from sellers in Thailand and it arrived at the Chattogram port a couple of days ago before reaching the mine site on Saturday.

There is high demand for the rock extracted at Parbatipur among local construction companies as they are of a higher quality yet cheaper than those available in countries such as India and Bhutan. The Maddhapara company extracts around 1 million tonnes of rock each year from three mines.

City Bank DMD promoted

STAR BUSINESS DESK

City Bank recently witnessed the promotion of its deputy managing director and chief financial officer to the post of additional managing director.



Mohammad Mahbubur Rahman had been serving in the preceding capacities since 2018, said a press release.

He joined the bank as an executive vice-president and chief financial officer in 2011.

Rahman is a director of IDLC, City Brokerage and City Bank Capital Resources.

He was a financial management specialist for South Asia at World Bank, chief financial officer of Leads Corporation and in various capacities at Grameenphone.

36pc ADP fund spent in 8 months

STAR BUSINESS REPORT

Around 36 per cent of the current fiscal year's development budget could be spent by the government in the first eight months.

The government managed to spend Tk 84,765 crore from its annual development programme (ADP) budget in the period from July to February.

It was Tk 72,603 crore in the same period a year ago, according to data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry.

According to the IMED report, the ADP implementation rate is 2 per cent higher compared to that last fiscal year.

Although the implementation marked a slight rise, it is still below the pre-pandemic level.

In the first eight months of fiscal year 2019-20, the period before the pandemic, the ministries and divisions were able to spend 37.26 per cent of the development budget.

Some 35.54 per cent of project assistance could be spent in the July-February period, compared to 34.71 per cent last fiscal year.

In spite of the ongoing health crisis, the performance of the health services division was below average as it could spend Tk 2,674.29 crore from July to February, which accounted for only 20.57 per cent of its Tk 13,000 crore allocation.

The statistic and information management division showed the worst performance, spending only Tk 45.61 crore of its Tk 1,421.23 crore allocation, meaning only 3.21 per cent.

Among the 15 ministries and divisions which received the highest allocations, local government division achieved 43 per cent, power division 37.60 per cent and road transport and highways division 38 per cent.

Moreover, science and technology division attained 38.37 per cent and railway ministry 38.99 per cent.



Winners pose for a photograph after receiving AGROW Awards. Standard Chartered Bank and Channel i jointly conferred the award in nine categories yesterday at Hotel Sheraton Dhaka.

PHOTO: STAR

Agriculture heroes honoured

STAR BUSINESS REPORT

Ten individuals and institutions were honoured yesterday for their exemplary contribution to the country's agriculture sector and the impact they have had on their communities.

Agriculture Minister Muhammad Abdur Razzaque handed the crests and prize money to the winners of the seventh edition of the AGROW Award, initiated by the Standard Chartered Bangladesh and Channel i, at a programme at the Hotel Sheraton Dhaka.

The organisers honoured them in nine categories among 350 nominations submitted.

Of them, Md Akbar Hossain, a fish farmer in Chapainawabganj who uses the in-pond raceway system (IPRS), was recognised as the male farmer of the year.

Nayan Selina and Nurunnahar Begum jointly won the accolade in the best female farmer of the year category.

Nurunnahar has dairy, fish and poultry farms in Pabna. Through her work, she has not only become solvent but is also supporting nearly 100 families.

Selina is a farmer in Cox's Bazar.

Md Jahangir Alam Shah has set up an agriculture information library and museum in his own house in Naogaon. In recognition of his work, he was given the "Hero for Change" award.

The best journalist category award went to Mohammad Nuruzzaman, editor and publisher of Weekly Krishi O Amish.

Abdur Rahim, a professor of the Bangladesh Agricultural University, won the lifetime achievement award for developing 70 types of fruits varieties. He has been engaged in agriculture research for more than 40 years.

Md Kobbat Hossain, a Chinese vegetable grower in Savar, was chosen for the jury special award. Bangladesh Agricultural University, a public university in Mymensingh, was crowned the best agricultural organisation in research, innovation and technology.

Pran Dairy Ltd, a sister concern of Pran Group, and one of the leading dairy processors in the country, bagged the award as the best agricultural exporter.

The Resource Development Foundation, a non-government organisation, was awarded as the best agricultural organisation in the support and execution category for popularising solar pumps among farmers.

Speaking at the event, Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said, "The work done by this year's award winners is a testament to the indomitable spirit of the heroes of the agriculture sector."

"Even in the face of a global pandemic and various other obstacles,

these individuals and organisations have remained undeterred providing employment for more than 6,500 people."

"Their drive, passion, and dedication to their craft and to a nation of millions that rely on them are truly inspiring."

Shykh Seraj, director and head of news at Channel i, said technological change is inevitable in the agriculture sector. "The sector is moving towards technological transformation."

In order to make the transformation smooth, funding is needed, according to Seraj. "The government should provide subsidies while the private sector should make investments."

Agriculture Minister Muhammad Abdur Razzaque said the government is working to modernise the agriculture sector and speed up farm mechanisation with a view to expanding production.

"In some cases, the government is providing 70 per cent subsidies."

For example, the price of a tractor is Tk 27 lakh in the international market, but a farmer in Bangladesh can buy it at Tk 7 lakh because of the subsidies, he said.

The minister urged companies to extend more support to farmers from the funds they set aside for their corporate social responsibility activities.

Atiur Rahman, a former governor of the central bank, also spoke.

GP celebrating silver jubilee

STAR BUSINESS REPORT

Mobile operator Grameenphone is celebrating its 25th anniversary, now aiming to contribute beyond connectivity.

Founded in March 26, 1997, GP started off in a small one-floor office in Dhaka's Mohakhali to support women and connect them in the remote areas in 1997.

It has since become the country's most dominant player in the telecommunication sector. It presently serves more than 8.3 crore customers.

The company said to have invested Tk 41,000 crore to build a network infrastructure that covers more than 95 per cent of the population.

"At first our goal was to connect the rural villages through voice services and we have achieved it in the last 25 years," Yasir Azman, CEO of Grameenphone, said at a press meet in InterContinental Dhaka marking its silver jubilee.

"Now we will provide digital services to citizens that will help build a tech-oriented modern Bangladesh," he said.

Appointed to the post in early 2020, Azman said the operator's current priority was to strengthen its 4G network and conduct tests and trials on the use of 5G.

He urged the regulator to create a better way for sharing and expanding the optical fibre network and ease regulations so that the operators can provide numerous digital services that empower people.

According to him, technology would completely transform education, agriculture and health services systems in the coming years.

Mustafa Jabbar, posts and telecommunications minister and Shyam Sunder Sikder, chairman of the Bangladesh Telecommunication Regulatory Commission, congratulated Grameenphone through video messages.

Chief Marketing Officer Sajjad Hasib, Chief Technology Officer Rade Kovacevic and Chief Corporate Affairs Officer (acting) Hossain Sadat were present at the press meet.

China and Nepal study feasibility of cross-border power grid

REUTERS, Kathmandu

China and Nepal will conduct a feasibility study to construct a high-voltage power transmission line across the Himalayas to facilitate the exchange of electric power, officials said on Saturday.

Chinese Foreign Minister Wang Yi and his Nepali counterpart Narayan Khadka witnessed the signing of an agreement following talks in Nepal's capital Kathmandu.

Nepal faces power shortages during the dry season and the planned grid would alleviate the problem through imports from China.

In recent years Beijing has spent millions of dollars building or upgrading highways, airports, power plants and hospitals in Nepal, eager to gain influence on the country which acts as a natural buffer between it and India.

Bangladesh meets

FROM PAGE B1

Telecommunication Regulatory Commission (BTRC) fixed the monthly cost of a connection with a minimum speed of 5 Mbps at Tk 500, 10 Mbps at Tk 800-1,000, and 20 Mbps at Tk 1,100-1,200.

Bangladesh had 7.5 lakh internet users in 2008 and it stands at 12.18 crore now.

The price of data was Tk 2,700 per Mbps in 2008 whereas 5 Mbps internet data now costs Tk 500.

Asked about the slow internet speed that irked customers, the minister acknowledged the speed of mobile internet is not up to the mark and blamed inadequate spectrum at operators' level.

There will be a spectrum auction on March 31 and operators should avail enough spectrum to ensure quality service, he added.

In a recent interview, Kaan Terzioğlu, group chief executive officer of Banglalink's parent company Veon, said Bangladesh's consumers

enjoy one of the lowest internet prices in the world.

Bangladesh has continued to witness a rise in the number of broadband connections, while mobile operators have lost internet subscribers in recent months.

The number of mobile internet subscribers dropped 1.7 per cent month-on-month in January to 11.17 crore, BTRC data showed. However, on a year-on-year basis, the number of mobile internet users rose 8.34 per cent in January.

The number of broadband subscribers rose by 10,000 month-on-month in the month to 10.10 crore and was up 5 per cent year-on-year.

Since the pandemic reached on the shores of Bangladesh, the mobile operators and internet service providers added around two crore customers.

Md Emdadul Hoque, president of the Internet Service Providers

Association of Bangladesh, credited the smooth bandwidth supply from Bangladesh Submarine Cable Company and international internet gateway service providers and reasonable prices for the affordable internet in the country.

Sumon Ahmed Sabir, an ICT and telecommunication expert, said internet prices in Bangladesh are less than in many countries, but there are complaints about speed and performance.

"In order to improve the quality of mobile internet, operators should take steps and regulators should come forward with policy support."

According to him, there are too many internet service providers for broadband connections in the country and some customers are getting quality service, while some are being deprived of it.

"However, the service quality is improving day by day," he added.

local fuel prices.

The construction companies have been impacted on and off due to the huge shifts in rod prices.

Stocks of Mir Akhter Hossain rose 1 per cent to Tk 62.10 yesterday at the DSE. Its paid-up capital was Tk 120 crore.

The construction company has retained earnings of Tk 319 crore, according to the financial report. Its profits rose to Tk 45 crore in 2020-21 while it was Tk 37 crore a year earlier.

MNCs on a roll

FROM PAGE B1

Heidelberg was in the red largely because the whole sector suffered as demand for the key construction material crashed since construction activities, at the individual, real estate and government levels, were largely suspended due to Covid-19.

The shoemaker suffered a loss of Tk 132 crore in 2020 as its retail business plunged during major festivals

—Eid-ul-Fitr, Eid-ul-Azha, Puja and Pahela Baishakh — since the deadly virus kept the customers at bay. The festival sales account for 25 to 30 per cent of the company's yearly business.

Among the MNCs, Grameenphone, the largest mobile phone operator in Bangladesh, logged the highest profit of Tk 3,718 crore in 2020.

Benckiser Bangladesh Ltd, whose popular brands include Dettol, Harpic, Mortein and Veet, disbursed the most dividend at 1,400 per cent in the year, according to the Dhaka Stock Exchange.

"Sustainable and successful business depends on having a

sharp business strategy and maximising the value for all stakeholders — employees, consumers, shareholders and society," said Christabel Randolph, legal and corporate affairs director at Marico Bangladesh, the local operation of the Indian multinational consumer goods company.

Operating in multiple geographies means that MNCs can maximise the utilisation of their cross-geography learnings, skills, capabilities and technologies. They are able to track and adapt to global trends or efficiencies.

"We are, therefore, able to produce and offer world-class, quality products to consumers in Bangladesh. Using the learnings and global best practices, the MNCs are able to deliver sustainable growth from their operations in Bangladesh," Randolph said.

The focus on quality and efficient management of resources while investing in people and process capabilities in Bangladesh has been of utmost importance for MNCs, she focused.

Govt issues export policy

FROM PAGE B1

last year, by a year because of the pandemic.

In the new export policy orders, the government has also targeted to diversify the export of goods and markets, reasoning that the country's earnings had

become heavily dependent on solely garment items, said the gazette.

For facilitating domestic and international trade, the government will also improve the ease of doing business by reforming different policies, it said.

RUSSIAN COKING COAL

India leans toward continued import

REUTERS, New Delhi

India is leaning toward continuing to import coking coal from Russia, the steel minister said on Sunday, seeming to buck a global trend to shun Moscow over its invasion of Ukraine.

"We are moving in the direction of importing coking coal from Russia," Ramchandra Prasad Singh told a conference in New Delhi.

India plans to double imports of Russian coking coal, a key ingredient in making steel, the minister said. He said the country had imported 4.5 million tonnes but did not indicate the period he was referring to.

Western countries and Japan have slapped unexpectedly heavy sanctions on the government of President Vladimir Putin and people associated with him. India, a major buyer of Russian goods from commodities to

weapons, has abstained from several key United Nations votes condemning the February 24 invasion.

"Smooth supplies" from Russia of coking coal have been affected, Singh said, in an apparent reference to the war. He did not elaborate.

Vessels carrying at least 1.06 million tonnes of coking coal, mainly used for steelmaking, and thermal coal used primarily for electricity generation, are set to deliver the fuel to Indian ports this month, the most since January 2020, data from consultancy Kpler showed.

Russia, typically India's sixth-largest supplier of coking and thermal coal, could start offering more competitive prices to Chinese and Indian buyers as European and other customers spurn Russia because of sanctions, traders say.

The trade could also be boosted by a rouble-rupee trading arrangement, they said.

Ukraine exports first grain by train to Europe

REUTERS, Lviv, Ukraine

Traders have exported the first supplies of Ukrainian corn to Europe by train as the country's sea ports remain blocked due to the Russian invasion, APK-Inform agriculture consultancy said on Sunday.

Ukraine is a global major grain grower and exporter and almost all its exports have traditionally been shipped from its Black Sea ports. Monthly grain exports exceeded 5 million tonnes before the war.

Traders and agriculture official have said Ukraine, which still has significant volumes of grain in stock, may start exporting by train via its western

border.

"The first batches of several thousand tonnes of corn have already been exported across Ukraine's western land border," APK-Inform said in a report.

"Difficulties with logistics persist, supply still prevails over demand, but prices have stopped falling," it added.

APK-Inform said Ukrainian corn DAP (Delivered At Place) prices for buyers from Poland and the Baltic States were \$250 to \$265 per tonne and \$275 per tonne for Slovakia.

Ukrainian transport authorities have said as much as 600,000 tonnes of grain per month could be exported by trains from Ukraine to Europe.

Rwanda's infrastructure promising for Bangladeshi investors

Says DCCI leader

STAR BUSINESS DESK

Bangladesh's investors have a good prospect in the growing infrastructure sector of Rwanda, one of the promising countries in Africa, said a business leader yesterday.

Besides, generic medicine, jute, contract-farming and furniture have a good prospect for Bangladeshi entrepreneurs in Rwanda, said Arman Haque, senior vice-president of the Dhaka Chamber of Commerce and Industry (DCCI).

He made the remarks at a meeting with High Commissioner of Rwanda Mukangira Jacqueline, based in New Delhi, at the DCCI Gulshan Centre, according to a press release from the chamber.

Generic medicine, jute, contract-farming and furniture have also good prospects for Bangladeshi entrepreneurs in Rwanda, said Arman Haque, senior vice-president of DCCI

Haque requested Rwanda's importers to import steel, cement, eco-friendly brick, PVC pipe, electrical cable and skilled construction workers from Bangladesh.

Bilateral trade between Bangladesh and Rwanda is very insignificant.

But since Rwanda is a member of the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), Bangladesh can explore opportunities and forge collaboration with the country in order to access other promising markets in the African continent, Haque added.

The EAC is a regional intergovernmental organisation of six partner states: Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda, while the COMESA comprises 21 African member states.

Haque assured the high commissioner that the Dhaka Chamber will extend its full cooperation to facilitate business delegations from Rwanda.

Mukangira Jacqueline

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All Islamic banks, non-bank financial institutions and shariah-based windows of conventional lenders will disburse the fund to help the country's cottage, micro, small and medium enterprises hit hard by the pandemic.

PHOTO: STAR/FILE

SMEs to get Tk 398cr from Islamic Development Bank

STAR BUSINESS REPORT

The Islamic Development Bank (IsDB) will finance Tk 398 crore for the country's cottage, micro, small and medium enterprises (CMSMEs) with a view to propping up the businesses hit hard by the pandemic.

All Islamic banks, non-bank financial institutions (NBFIs) and shariah-based windows of conventional lenders will get the fund through Bangladesh Bank.

The government signed an agreement with the IsDB, a multilateral development bank headquartered in Jeddah, in June last year to manage the fund in order to bolster the country's CMSME sector.

The project will contribute to the economic stimulus packages launched by the government for combating the Covid-19 crisis

The project will contribute to the economic stimulus packages launched by the government for combating the Covid-19 crisis, according to a central bank notice.

As per the agreement signed between IsDB and the government, Bangladesh Bank is designated as the "executing



agency" of the project.

The IsDB will provide the entire fund of \$47 million, which is equivalent to Tk 398 crore (\$1 = Tk 84.80 on June 24 last year).

Lenders will take the fund from the project at a maximum profit rate of 4 per cent while the highest rate for end users will not surpass 7.18 per cent.

Banks and NBFIs will have to submit the list of qualified borrowers to the IsDB through the central bank, after which the funds will be released to them.

This means the fund disbursement will be carried out like a pre-finance scheme, a model that is followed by conventional banks.

Entrepreneurs of the CMSME sector will get working capital and mid to long-term

loans from the fund.

The repayment tenure for working capital will be a maximum of one year while the tenure will be three years for mid-term loans and five years for long-term loans.

Entrepreneurs who are qualified for mid to long-term loans will be allowed to enjoy a six-month grace period before starting to pay instalments.

Entrepreneurs will have to pay instalments either in a quarterly or half-yearly basis for mid and long-term loans.

All three sectors of the CMSME sector -- manufacturing, service and trading -- will be considered to get funds from the scheme.

Entrepreneurs having cottage industries will be able to take below Tk 10 lakh from

the scheme. An industry is considered as a cottage one when its number of employees is not above 15.

Medium enterprises can avail funds of between Tk 2 crore and Tk 3 crore from the project. The number of employees of a medium enterprise is set between 51 and 200.

Fixed assets, equipment machinery, raw materials and other tangible assets will have to be purchased with the fund.

Interested lenders will have to sign a participation agreement with the central bank within the next three months to disburse the fund to businesses.

The financing facility will be provided to lenders on a "first come, first served" basis.

The lenders, whose non-performing loans are more than 10 per cent, cannot participate in the project.

They also have to maintain the minimum capital requirement, cash reserve ratio and statutory liquidity ratio as stipulated by Bangladesh Bank.

Lenders which remained profitable for the last two years will be permitted to join the project.

A central bank official said that the project would give a boost to the country's CMSME sector as the businesses will get funds at a lower cost than the existing lending rate of 9 per cent.

NET ZERO EMISSION

What can banks and financial institutions do?

MESBAH UDDIN AHMED

Ascension of greenhouse gas (GHG) emission, air and water pollution, the eruption of the ozone layer and such devastating environmental events have drastically affected the climate, eco-system and livelihood.

The crisis started in the 18th century on the verge of the industrial revolution from Europe and the US when the people aspired heavily in consumption beyond their basic needs. With time, unprecedented events like the massive use of energy and environmental deterioration have resulted in global warming, drought, the rise of sea level, loss of biodiversity, extreme heatwaves, catastrophic changes in climate and depletion of resources.

The impact of these events is quite evident and has become a global concern. If this continues, we are headed towards a mass extinction and every country, whether developed or developing, will be a victim of this drastic event.

Organisations like the United Nations, the United Nations Framework Convention on Climate Change, the United Nation Global Compact, the United Nation Environment Programme Finance Initiative (UNEP FI) are taking as many initiatives as possible to onboard stakeholders and entities to address the climate change and mitigate the ongoing catastrophe.

The Paris Agreement is an international legally binding treaty adopted by 196 Parties on the COP 21 in Paris where countries acknowledged the climate change and signed the treaty with an ambition of limiting global warming to well below two degrees Celsius, preferably below 1.5 degrees Celsius compared to pre-industrial level through reducing the GHG.

We believe the central bank will come up with pragmatic targets for banks and financial institutions for reducing carbon emission to attain sustainability in line with the global banking sector

Under the agreement, countries are required to strive towards a social and economic transformation and were asked to submit their intended nationally determined contributions (NDCs) by 2020. The Sustainable Development Goals (SDGs) of the UN, introduced in 2015, are also directed towards ensuring the long-term sustainability of society and the economy.

All these initiatives and evidence of radical climate change have made it obvious that each group and entity must participate in reducing GHG emission, conserving the limited resources and protecting biodiversity.

Banks and financial institutions (FIs) are not redeemed from this. FIs are the intermediary between households and businesses. These entities decide who should receive the savings of the individuals and where these would be invested for future growth and development of the economy. Thus, their responsibilities become enormous and vital when it comes to addressing climate change and reducing GHG emission.

The UNEP FI has been very steadfast in guiding the banks and FIs to acknowledge climate change and the impact of GHG emissions on the environment. It has initiated different programmes like the Collective Commitment to Climate Action (CCCA) and the Net Zero

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China industrial profit up but mired in single-digit growth

REUTERS, Beijing

Profit growth at China's industrial firms accelerated in the first two months of the year in line with other signs of momentum in the economy, although the outlook is clouded by domestic Covid-19 outbreaks and the war in Ukraine.

Profits rose 5.0 per cent in from a year earlier, up from a 4.2 per cent gain in December, the National Bureau of Statistics said on Sunday.

The growth in January-February was driven by surging profits in the energy and raw materials sectors, thanks to higher prices of commodities such as crude oil and coal.

January and February data are typically combined to smooth out distortions from the Lunar New Year holiday, which can fall in either month.

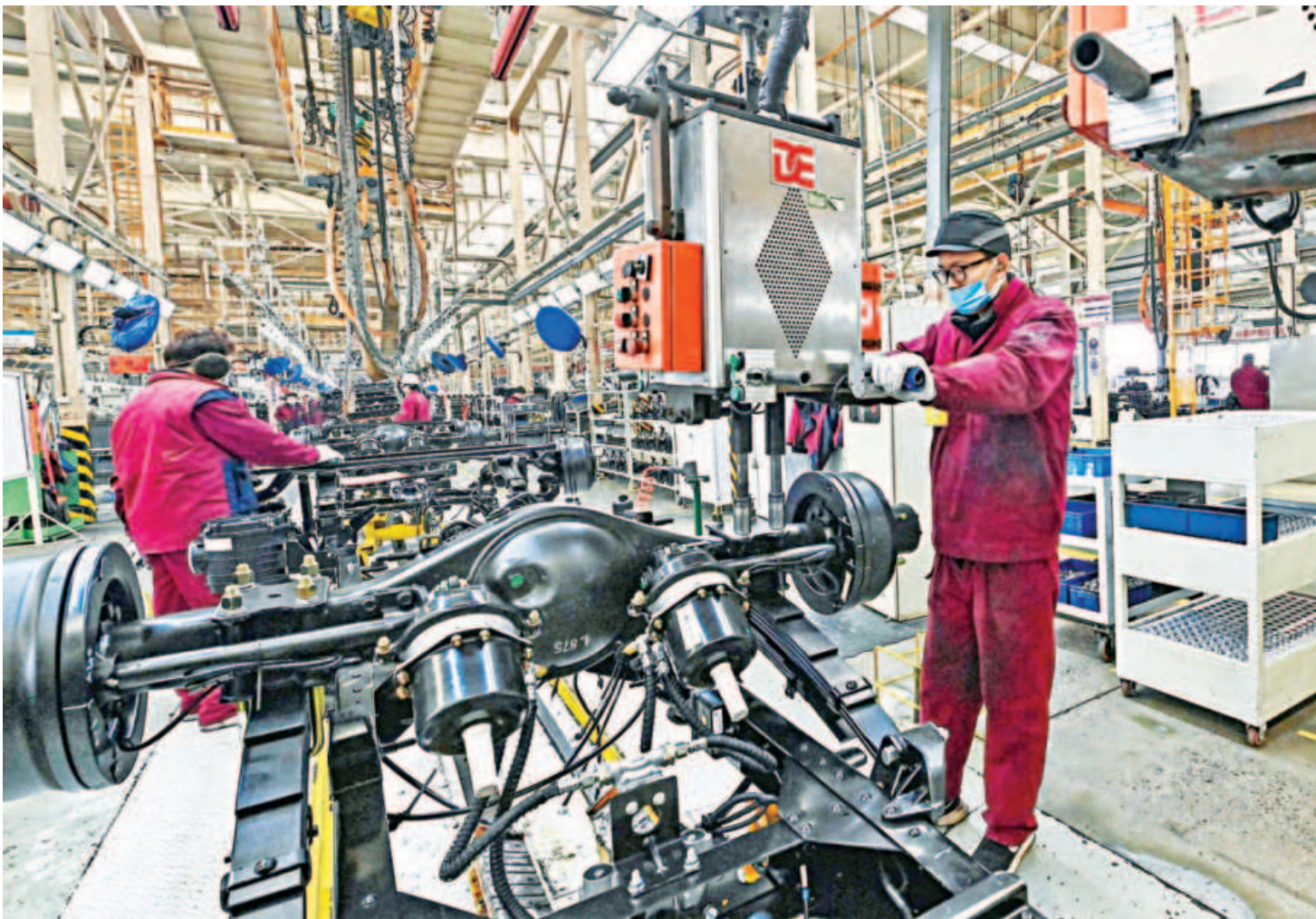
Downstream, monthly profit growth among other industrial firms has been weighed down by high raw material costs, languishing in the single-digits since November.

The slightly faster industrial profit growth was in step with improvement in industrial output, retail sales and fixed-asset investment in January-February, suggesting the impact of recent policy measures were starting to be felt.

Still, challenges have emerged this year including China's most serious Covid outbreak since early in the pandemic in 2020, driven by the Omicron variant, threatening to disrupt local economies and further chill consumer spending.

"The gap between upstream and downstream profit margins widened as downstream profit margins fell further," Goldman Sachs analysts wrote in a note.

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Employees work on a truck assembly line at a factory for the vehicle manufacturing company Jianghuai Automobile Group Corporation in Qingzhou in eastern China's Shandong province.

PHOTO: AFP/FILE

Samsung chief's mother sells stakes to pay taxes

THE KOREA HERALD/ANN

Hong Ra-hee, Samsung Electronics Vice Chairman Lee Jae-yong's mother, reportedly sold her shares in the company worth 1.3 trillion won (\$1.06 billion) in a block trade Wednesday, the latest stake sale by the Samsung family being carried out apparently to pay inheritance taxes.

According to industry sources on Thursday, Hong entrusted the sale of her 0.33 per cent stake in Samsung Electronics to KB Bank in September last year and the stake was sold in a block deal through Morgan Stanley and Goldman Sachs after Wednesday's closing.

The deal price was 68,800 won apiece, a 2.4 per cent discount on the closing price of 75,000 won.

The stake sale by Hong, the wife of late Chairman Lee Kun-hee, comes

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