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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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Syndicated Term Facility of BDT 1,300 Million

For

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