



Litchi orchards on Mission Road in Dinajpur town. Growers of the seasonal fruit are passing busy times tending to the trees as those have started flowering. The photo was taken last week.

PHOTO: KONGKON KARMAKER

WAR IN UKRAINE

US defence contractors see long-term benefits

AFP, New York

US arms manufacturers are not cashing in directly from the thousands of missiles, drones and other weapons being sent to Ukraine, but they do stand to profit big-time over the long run by supplying countries eager to boost their defenses against Russia.

Like other Western countries, the United States has turned to its own stocks to furnish Ukraine with shoulder-fired Stinger and Javelin missiles, for instance. These weapons from Lockheed-Martin and Raytheon Technologies were paid for some time ago.

So these companies' first quarter results, due to be released in coming weeks, should not be especially fatter because of the rush to arm Ukraine as it fights off the Russian invasion.

But those US military weapons stockpiles being tapped for Kyiv will need to be replenished.

The Pentagon plans to use \$3.5 billion earmarked for this purpose in a spending

bill approved in mid-March, a Defense Department spokesman told AFP.

The Javelin anti-tank missile is made by a joint venture between Lockheed and Raytheon. The latter's Stinger anti-aircraft missile had ceased to be produced until the Pentagon ordered \$340 million of them last summer.

"We are exploring options to more quickly replenish US inventories and backfill depleted stocks of allies and partners," the spokesman said.

"It will take time to revive the industrial base -- at the prime and at sub-tier suppliers -- to enable production to resume," he added.

The profits that the companies make from these missiles, known for being simple to use, will not exactly be staggering, defense industry experts told AFP.

"If 1,000 Stingers and 1,000 Javelins get shipped to Eastern Europe each month for the next year, which is not unlikely given the current pace, in our view, we think it would equate to

\$1 billion to \$2 billion in revenue for both program manufacturers, which is material," said Colin Scarola of CFRA, an investment research firm.

Raytheon's and Lockheed's revenue figures last year dwarf that amount, however: \$64 billion and \$67 billion, respectively.

"Raytheon probably made more money off selling a Patriot missile system to Saudi Arabia than they will from making Stinger missiles," said Jordan Cohen, an arms sales specialist at the Cato Institute.

"They're only going to put so much effort into producing those weapons that are not that valuable," Cohen told AFP.

Lockheed, Raytheon and another arms manufacturer, Northrop Grumman, did not respond to AFP requests for comment.

General Dynamics said it has not raised its financial outlook since January, while Boeing just said it is up to governments to decide how to spend money earmarked for defense.

Some weapons manufacturing executives hinted when they last released quarterly results in late January that the situation around the world would benefit them.

Greg Hayes, Raytheon's CEO, said that rising tensions in Asia, the Middle East and Eastern Europe would lead to higher international sales -- not right away but later in 2022 and beyond.

His counterpart at Lockheed-Martin, James Taiclet, said he observed "renewed great power competition" that could trigger higher US military spending.

"The war in Ukraine reshuffles the geopolitical order, in a way that hasn't really been seen in the past 30 years," said Burkett Huey of Morningstar, a financial services company.

"People are starting to realize that the world is a lot less safe and there's probably going to need to be increased investment in defense products, which would benefit the contractors," Huey said.

Padma Bank promotes Zabed Amin to DMD

STAR BUSINESS DESK

Padma Bank Ltd has recently witnessed the promotion of its chief operating officer to the post of deputy managing director.



The promotee, Zabed Amin will look after entire bank's operations and AML division as chief operating officer and chief anti-money laundering compliance officer, a press release said.

Zabed joined Padma Bank in December 2018. He started his banking career with ANZ, Grindlays and Standard Chartered Bangladesh.

In his long spanning career, he has worked for Brac Bank, City Bank and Social Islami Bank Ltd.

China to remove hurdle to Sino-US audit cooperation

REUTERS, Shanghai/Beijing

China on Saturday proposed revising confidentiality rules involving offshore listings, removing a legal hurdle to Sino-US cooperation on audit oversight while putting the onus on Chinese companies to protect state secrets.

The draft rules, announced by China's securities watchdog, mark Beijing's latest attempt to resolve a long-running audit dispute with Washington that could lead to roughly 270 Chinese companies being forced to delist from US exchanges in 2024. Saturday's proposal scraps requirements that on-site inspection of overseas-listed Chinese companies be conducted mainly by Chinese regulators.

That could open the door to inspections by US regulators, who demand complete access to such firms' audit working papers, which are stored in China. The changes will facilitate "cross border regulatory cooperation, including joint inspections, which will help safeguard interest of global investors," the China Securities Regulatory Commission (CSRC) said in a statement on its website.

China is stepping up efforts to ensure Chinese firms remain listed in New York.

The commission said on Thursday that Chinese and US regulators had held multiple rounds of meetings and both sides had a willingness to solve their audit dispute.

But US securities and audit regulators have pushed back on speculation of an imminent audit deal with China. In March, the US Securities and Exchange Commission (SEC) identified 11 US-traded Chinese companies, including Baidu Inc and Yum China, that face delisting risks.

The draft rules make clear that Chinese companies are responsible for information security in overseas listings, reducing the chance that confidential information unnecessarily enters auditors' working papers, CSRC said.



Plumbing technicians of Charu Ceramic Industries Ltd across the country attended a daylong workshop organised by the company on its sanitaryware factory premises in Hobiganj in a bid to ensure the most efficient and smooth after-sales service.

PHOTO: CHARU CERAMIC INDUSTRIES

Focus on sustainability

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price and convenience for customers. It is very important to us. Change is all around and it is getting faster and faster."

"And, we strongly believe that future is a combination of having very good technology and really great people," she said, adding that the partnership between technology and people makes difference for customers.

Speaking about the readiness of customers, Murphy says many customers were not ready to use automated teller machines during the initial days.

"Sometimes, it is push and pull." "You need to build the technology. You need to help companies understand how it brings value to their business. You need to make it easy to use."

"You also need to give customers a reason to use it. That reason might be price and might be easier and secure for their companies."

HSBC has introduced a trade transaction tracker in Bangladesh, enabling businesses to track the whereabouts of goods.

The bank, which has fully automated 96 per cent of its payments, has digitalised Unilever Bangladesh's supply chain finance,

making doing business easier for customers as well as suppliers.

Murphy says supply chains account for 80 per cent of the planet's carbon emissions, so developing a sustainable production network is one of the most important levers for banks and businesses on the net-zero transition.

"HSBC wants to encourage companies throughout the supply chain to focus on sustainability, as we have seen how this sparks innovation and generates value."

HSBC has kept investing in digitalising trade to support its clients with faster, safer and easier transactions.

"We would like to play the leading role in the digital transformation that the country's financial services are experiencing."

Murphy is upbeat about Bangladesh's economic advancement and calls the country a very important market for the bank.

"We know there is a fast-growing, stable market, and there is an abundance of entrepreneurial spirit. Those entrepreneurs are some of the biggest established names but there are also a number of smaller companies coming

up. They will be the big names tomorrow."

"I think it is a good place to do business."

Bangladesh's large population, now nearly 17 crore, and the growing purchasing power are making the country attractive to international companies.

As the local economy continues to grow, the bank anticipates an increased international movement of people in and out of Bangladesh, where payments processing are becoming more digitalised, more wealth is being created, and domestic consumption is growing.

"Bangladesh is becoming increasingly integrated into the global economy as import, export and remittances increase. I think that's a good sign for Bangladesh," said Murphy.

The multinational bank looks to continue financing sectors such as infrastructure, construction, consumer electronics, e-commerce, IT, and digital.

Consumer goods and consumer durables are expected to become more prominent as the middle class expands. And Murphy describes the change in healthcare as interesting.

"As people have a little more

money in their pocket, they can afford healthcare. I don't think we can underestimate e-commerce and technology. Digital will become even more part of our life."

HSBC supported the launch of Bangladesh's first communications satellite, Bangabandhu Satellite-1, in 2018. The following year, it financed Bangladesh's largest urea fertiliser manufacturing plant.

In the aftermath of business losses caused by the coronavirus pandemic, the bank provided a 90-day extension of import liability for delays in shipments.

It extended short-term loans to help clients pay wages and overheads, particularly for the clients in the textile and apparel sector, during the period.

Since her first visit to Dhaka nearly a decade ago, banks in Bangladesh have improved significantly, Murphy says. "The regulations have improved. The understanding of how to regulate the financial sector has improved."

"We all understand banks have a role to play, in partnership with the government and the private sector, to help bring prosperity. That is why I think the longevity of a bank in a country is important."



Md Ataur Rahman Prohnan, managing director of Sonali Bank Ltd, and Ahmed Kamal Khan Chowdhury, Group adviser of SSLCOMMERZ Ltd, exchange signed documents of an agreement for using Bangla QR merchant payment service at Pan Pacific Sonargaon Dhaka on Saturday. Ziaul Hasan Siddiqui, chairman of Sonali Bank, Md Murshedul Kabir, Niranjana Chandra Debnath, Md Mazibur Rahman and Sanchia Binte Ali, deputy managing directors, and Subhash Chandra Das, general manager, were present.

PHOTO: SONALI BANK



Mamoon Mahmood Shah, managing director of NRB Bank, inaugurates its 50th branch in Barishal recently. Md Mukhter Hossain, adviser, Oli Ahad Chowdhury, head of retail banking, Md Jahidul Islam, deputy director of Bangladesh Bank's Barishal office, and Md Jahangir Hossain Manik, senior vice-president of the Barishal Chamber of Commerce and Industry, were present.

PHOTO: NRB BANK

Sirajganj industrial

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Investors are keen on investing here for the confirmation on the availability of gas, electricity, environment department approvals and other necessary facilities, he said.

Abu Eusuf Surjo, president of the Sirajganj Chamber of Commerce and Industry, said the park would change the socioeconomic condition

of the northern region. Md Aiyub Ali, secretary of the Bangladesh Handloom and Power Loom Owners' Association, said Sirajganj was historically a hub for clothes makers, so weaving-related investments should get priority. "We hope dyeing and processing factories get space...for the sake of the weavers," he said.

Presence of big investors usually leads to the deprivation of small and medium investors, he claimed.

The project director, however, said the BSCIC always invites investors of small and medium industries. "When plot allotments start, investors must fulfil our conditions so there is no scope to deprive small and medium investors," Khaleque added.