



BANK

Paperfly secures Tk 102cr from Indian firm

MAHMUDUL HASAN

Logistics-tech company Paperfly has confirmed Tk 102 crore new investment from Ecom Express, one of the leading tech-based e-commerce logistics solutions providers in India, as it looks to digitalise the local courier segment.

The start-up will use the funds to build digital and other infrastructures so that customers can make online requests to collect parcels from their doorsteps and deliver them to recipients.

Ecom Express is an end-to-end technology-enabled logistics solutions provider, has a presence in all 29 states of the country and operates in more than 2,650 cities and towns.

Last year, the firm made a foray into Bangladesh, its maiden venture outside the home market, when it injected about Tk 100 crore into Paperfly. The latest fund injection takes Ecom's investment in Paperfly to Tk 202 crore.

"The entire process will be digital and automated, giving a respite to customers who now have to visit brick-and-mortar establishments of traditional service providers to send and receive parcels," Rahath Ahmed, co-founder and chief marketing officer of Paperfly, told The Daily Star.

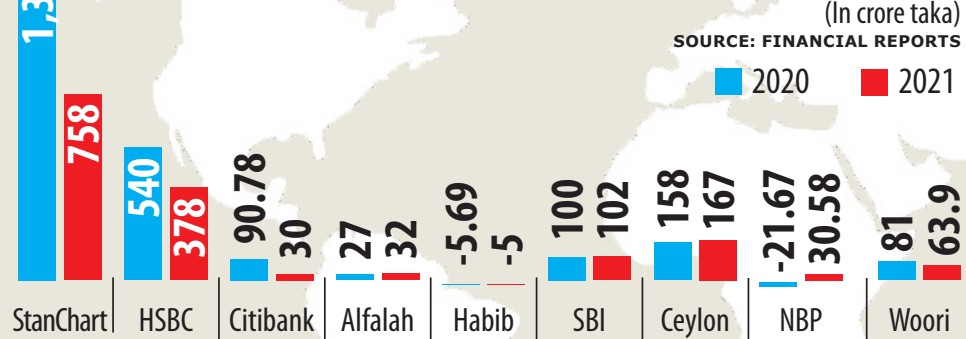
"Now, they will get the service from the convenience of their homes and workplaces."

Founded in 2016 by Shahriar Hasan, Razibul Islam, Rahath Ahmed, and Shamsuddin Ahmed, Paperfly is the first homegrown tech-enabled logistics company in Bangladesh that offers nationwide coverage.

Initially, Paperfly's priority was to make e-commerce deliveries as it introduced countrywide doorstep delivery and pickup, the

READ MORE ON B3

PROFIT/LOSS OF FOREIGN BANKS



REASONS BEHIND PROFIT DROP

- Pandemic-driven economic pressure
- Lower interest rate cap fixed by BB
- Lower income from govt bond and treasury bills
- Lower rate on govt bond
- Surplus liquidity

INTEREST INCOME

Banks	2020	2021
StanChart	1519	1121
HSBC	835	766
Citibank	103	58
Bank Alfalah	38	43
Habib Bank	3.6	-1.34
SBI	101	117
Ceylon	143	196
NBP	-123	-55
Woori	59	55

SOURCE: FINANCIAL REPORTS

Large foreign banks see profits plunge

AHSAN HABIB

Large foreign banks operating in Bangladesh took a hit in 2021 as their profits plunged due to the impacts of the coronavirus pandemic and the lower interest rate regime.

Collective profits for the nine banks fell more than 33 per cent year-on-year to Tk 1,556 crore in 2021. It was Tk 2,336 crore in 2020, showed financial statements of the multinational lenders.

The interest income of five of the nine international banks went down owing to the ceiling on the lending and deposit rates and the moratorium announced by the central bank to give a cushion to businesses pummeled by the countrywide lockdowns and depressed demand.

The banks have been ordered to keep the deposit rate within 6 per cent and the lending rate at 9 per cent since April 1 of 2020 as the government looks to ensure a single-digit interest rate. The cap drastically brought down the interest income for almost all banks



in Bangladesh.

The local operations of Standard Chartered, which is headquartered in London, logged profits of Tk 758 crore last year, down 44.5 per cent compared to 2020, when it raked in Tk 1,367 crore, according to its financial statements.

HSBC Bangladesh, another British bank, was also almost in the same situation. Its profits declined 30

per cent to Tk 378.36 crore in the recently concluded year.

Profits of Citibank NA, a US lender, plummeted 66.95 per cent to Tk 30 crore compared to the previous year's Tk 90.78 crore.

Sri Lanka's Commercial Bank of Ceylon, State Bank of India, Bank Alfalah of Pakistan, and the National Bank of Pakistan made higher profits in 2021.

Habib Bank, a Pakistani multinational bank, remained in the red.

Woori Bank witnessed 21 per cent lower profits of Tk 63.9 crore last year, against Tk 81 crore a year ago, according to the financial report of the Korean multinational lender. The net interest income dropped 6 per cent to Tk 55.9 crore.

"The decline in the profits of the foreign banks was not unexpected after such a devastating pandemic since the crisis has hurt almost all businesses," said Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management.

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STOCKS	
DSEX ▼	CSCX ▼
0.36%	0.27%
6,694.30	11,786.33

COMMODITIES	
Gold ▲	Oil ▲
\$1,941.92	\$104.61
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.72%	▲ 0.19%	▲ 0.82%	▲ 0.94%
60,176.50	27,787.98	3,445.01	3,282.72

INTEREST ON US DOLLAR BONDS

SOURCE: IRD

	Duration	Up to \$100,000	From \$100,001 to \$500,000	From \$500,001 and above
		US Dollar Premium Bond	1st year	4.5
	2nd year	5	4	3
	3rd year	5.5	4.5	3.5
US Dollar Investment Bond	1st year	4	3	2
	2nd year	4.5	3.5	2.5
	3rd year	5	4	3

Govt lifts investment cap on dollar bonds

STAR BUSINESS REPORT

The government has removed the upper ceiling on investments in two US dollar related bonds so that non-resident Bangladeshis (NRBs) can invest as much as they want in both securities, according to a notification from the Internal Resources Division (IRD).

However, the rate of interest has been reduced depending on the slab of investment, as per the notification which comes at a time when Sri Lanka is grappling with depleting foreign currency reserves.

Earlier, NRBs could invest up to the equivalent of Tk 1 crore in US dollars in the US Dollar Premium Bond, US Dollar Investment Bond and Wage Earners Development Bond, an IRD official said.

"But from now on, there will be no maximum ceiling on investments in the US Dollar Premium Bond and US Dollar Investment Bond," he added.

The IRD official went on to say that they withdrew the cap as NRBs have been

demanding as much for a long time.

"Besides, higher investment will increase our foreign exchange reserves," he said.

Both bonds mature in three years. In case of the US Dollar Premium Bond, the interest rate on investments of up to \$100,000 will be 5.5 per cent at maturity in the third year.

Meanwhile, the interest rate at maturity for investments of between \$100,001 and \$500,000 will be 4.6 per cent while investments above \$500,001 will get 3.5 per cent.

Investors would previously get 7.5 per cent interest regardless of the investment slab after the three-year period. In case of the US Dollar Investment Bond, investors used to get 6.5 per cent interest upon maturity.

Now, investors will get 5 per cent interest for investments of \$100,000 after maturity while the rate for investments of between \$100,001 and \$500,000 will be 4 per cent.

READ MORE ON B3

DRIED FISH Govt earns Tk 4.18cr revenue from chars of Sundarbans

OUR CORRESPONDENT,
Bagerhat

Some 6,500 tonnes of dried fish have been produced at several chars by the Bay of Bengal and Sundarbans, earning the government over Tk 4.18 crore in revenue.

Every year from November to March, about 15,000 fishermen go out to make their catch and live in temporary huts made out of polythene, wood and straw on chars including Dubla, Alorkol and Meherali.

They dry different species of fish out in the sun without using any chemicals, for which products of these chars have gained a reputation both within the country and abroad.

The forest department said though the revenue generated was around Tk 1 crore higher than that last season, it would have exceeded Tk 5 crore had not two storms struck at the beginning and end of the season.

Most of the fishermen have left for their families while some are still in the process of packing up and leaving.



Every year from November to March, about 15,000 fishermen go out to make their catch and dry them while living in temporary huts on chars around the Sundarbans and the Bay of Bengal.

PHOTO: PARTHA CHAKRABORTY

What impact would a Russian debt default have?

REUTERS, London

Russia has managed to avoid defaulting on its international debt so far despite unprecedented Western sanctions. But the task is getting harder and Moscow's threats to cut Europe's gas supply seems to be upping the ante further.

Would a default really make any difference at this stage though, and what would it entail?

If Russia fails to make any of its upcoming bond payments within their pre-defined timeframes, or pays in roubles where dollars, euros or another currency is specified, it will constitute a default.

Such an event would have been unthinkable before the Feb. 24 invasion of Ukraine, which Moscow describes as a "special military operation", and subsequent sanctions that have frozen hundreds of billions of dollars worth of its reserves.

Russia is already locked out of the international borrowing markets due to the West's sanctions, but a default would mean it couldn't regain access until creditors are fully repaid and any legal cases stemming from the default are settled.

Defaults in other countries such as Argentina have seen aggressive creditors go after physical assets such as a navy vessel and the country's presidential aircraft. Russia's state-owned energy giants own some of Europe's key gas infrastructure so it would raise plenty of questions.

It could also create a host of headaches if countries or companies that would normally trade with Russia have self-imposed rules that prohibit transacting with an entity in default.

If sanctions are removed at some point in the future Russia's reputation in financial markets would still be tarnished. That would depress Russia's credit ratings and push up the borrowing rates paid by the Russian government and companies.

By continuing to make its debt payments this month, Russia so far has swerved its first default of any kind since a 1998 financial crisis, and its first on the international market debt since the 1917 Bolshevik revolution when the new government refused to recognise Tsar-era borrowings.

This week Moscow has upped the stakes

by offering to make a \$2 billion bond payment due next week - its biggest of the year - in roubles rather than the intended dollars.

As long as Russia doesn't force anyone who doesn't want roubles to take them, it wouldn't usually count as a default, but it is walking a tightrope. That the main rating agencies have had to withdraw their Russia ratings, and therefore won't call a default whatever happens, complicates things.

Another \$447 million international bond payment is due on Thursday, but even if Russia remains willing to pay complications are about to stack up.

Western sanctions ban transactions with Russia's finance ministry, central bank or national wealth fund, although the temporary general license 9A issued by the US Office of Foreign Assets Control (OFAC) on March 2 makes an exception for the purposes of "the receipt of interest, dividend, or maturity payments in connection with debt or equity."

That license expires on May 25, however, after which Russia will have almost \$2 billion worth of external sovereign bond payments to make before the end of the year.

Oil price rises to \$108

REUTERS, London

Oil prices rose on Tuesday as the United States and Europe planned new sanctions to punish Russia over alleged war crimes in Ukraine, raising concerns of tighter global supply, while Iran's nuclear talks with world powers stalled.

Brent crude was up 90 cents, or 0.8 per cent, to \$108.43 a barrel at 0801 GMT, and US West Texas Intermediate was up 78 cents, or 0.8 per cent, at \$104.06 a barrel.



Ali Reza Iftakhar, managing director of Eastern Bank, and Shahjahan Mahmood, chairman of Bangladesh Satellite Company, signed an agreement to use Bangabandhu Satellite-1 for the bank's ATM network at the latter's head office in Dhaka yesterday.

PHOTO: EASTERN BANK

EBL ATMs to connect with Bangabandhu Satellite-1

STAR BUSINESS DESK

Eastern Bank Ltd (EBL) signed an agreement with Bangladesh Satellite Company to connect its ATM network to Bangabandhu Satellite-1.

Ali Reza Iftakhar, managing director of Eastern Bank, and Shahjahan Mahmood, chairman of Bangladesh Satellite Company, signed the agreement at the latter's head office in Dhaka yesterday, said a press release.

Shahiqul Islam, managing director of Bangladesh Satellite Company, Shah Ahmedul Kabir, general manager for sales and marketing, and Zahidul Haque, chief technology officer of Eastern Bank, were present.



Syed Mahbubur Rahman, managing director of Mutual Trust Bank, poses for photographs with winners of the 'Service Excellence Award 2021' organised by the bank to recognise the contribution of the Star MTBians for providing excellent services at MTB Centre in Gulshan-1, Dhaka recently. Chowdhury Akhtar Asif, additional managing director, Md Khalid Mahmood Khan and Rais Uddin Ahmad, deputy managing directors, and Mohammad Nazmul Hossain, group chief financial officer, were present.

PHOTO: MUTUAL TRUST BANK

Price hike of fish feed keeps

FROM PAGE B4
access to finance would help them cope with the situation.

Tofail Ahmed, senior fisheries officer of Trishal upazila, said around 7,500 fish farmers in the region faced losses amid the pandemic and the price hike of fish feed will surely hamper their recovery, especially that of small and marginal

farmers. The aquaculture industry in Mymensingh employs around seven lakh people, many of whom may lose their jobs or face a financial crisis if the industry is severely affected, he added.

Talking to this correspondent, Khaled Masud Sujon, an executive of Quality Feeds, said the

price of fish feed increased significantly in one year due to the price hike of raw materials like soybean, rice bran, oil cakes, maize and others.

At present, there is no sign that the price will reduce as the price of raw materials is increasing, the official said, adding that this situation would worsen if costs were not immediately contained.

Chinese firm to invest

FROM PAGE B4

Ltd, signed an agreement in this regard at Bepza Complex in Dhaka yesterday.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, was also present at the signing ceremony along with Mohammad Faruque Alam,

member for engineering; Nafisa Banu, member for finance; Md Zakir Hossain Chowdhury, executive director for administration; Nazma Binte Alamgir, executive director for public relations, and Md Tanvir Hossain, executive director for investment promotion.

Elon Musk buys large

FROM PAGE B4

ultimately lead to an active stake and a (potentially) more aggressive ownership role of Twitter," analysts Daniel Ives and John Katsingris of Wedbush wrote in a note. Disclosure of Musk's stake follows a recent poll launched by the billionaire to his followers. Saying "free speech is essential to a functioning democracy," Musk, who has discussed possibly launching his own social media company, on March 25 launched a survey on Twitter that asked: "Do you believe Twitter rigorously adheres to this principle?"

Twitter shares rocketed higher on the announcement, surging 27.1 per cent to \$49.97. "We would expect this passive stake as just the start of broader conversations with the Twitter board (and) management that could

DSE index drops

FROM PAGE B4
All the sectors witnessed price corrections except for cement that rose 1.7 per cent. Investors' attention was mainly concentrated on financial institution, accounting for 13 per cent of the turnover, alongside textile (11.5 per cent) and engineering (10.8 per cent).

Both the DS30, the blue-chip index, and the DSES, the Shariah-based index, dropped 4 points and 1 points respectively.

JMI Hospital Requisite Manufacturing topped the gainers' list with a 10 per cent rise. Rangpur Foundry, Gemini Sea Foods, Apex Tannery and VFS Thread Dyeing also saw major gains. Fortune Shoes shed the most, dropping 2 per cent. Savar Refractories, Reckitt Benckiser Bangladesh, Sonali Paper and Board Mills and Shyampur Sugar Mills were among those suffering heavy losses. Beximco became the

stock to be traded the most, with shares worth Tk 48 crore changing hands, followed by LafargeHolcim Bangladesh, IPDC Finance, GSP Finance, and VFS Thread Dyeing. Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the main index of the CSE, edged down 54 points, or 0.27 per cent, to close the day at 19,646. Of the 284 stocks to undergo trade, 61 rose, 193 fell and 30 did not see any price movement.



M Kamal Hossain, managing director of Southeast Bank Ltd, launches contactless Visa EMV dual currency debit card (Visa payWave) with quick read facility at the bank's head office in Dhaka yesterday. Instead of inserting a card into the POS terminal, customers can make payments of up to Tk 3,000 per transaction through a simple tap on the contactless terminal without entering a PIN. PHOTO: SOUTHEAST BANK

Mexico-Bangladesh business

FROM PAGE B4

FBCCI Director Abul Kasem Khan gave a presentation on trade and investment opportunities and potentials in Bangladesh and Mexico. Mexican Ambassador to India (concurrent to

Bangladesh) Federico Salas Lotfe, Bangladesh Ambassador to Mexico Abida Islam, Chairman of the Asia Pacific business section of COMCE Sergio Ley and Vice Chairman Agustin Garcia Rechy spoke at the event.

FBCCI Director Prity Chakraborty and Secretary General Mohammad Mahfuzul Hoque were present there. Manager of the Asia Pacific business section of COMCE Jessica Ortiz moderated the programme.

No chance of Lanka like situation in Bangladesh

Says MA Mannan
STAR BUSINESS REPORT

Planning Minister MA Mannan yesterday ruled out the possibility of a Sri Lanka like situation in Bangladesh as the country's economic stability is still strong.

The Sri Lankan economy has been going through a massive crisis for the last few months due to mismanagement of its macroeconomic issues.

"I think there is no reasonable ground for directly comparing Sri Lanka's economy with that of Bangladesh," Mannan said. He was responding to queries from journalists after the weekly meeting of the Executive Committee of the National Economic Council at its office in Dhaka.

"However, we are carefully observing the opinions of local economists and researchers regarding Sri Lanka's economic situation," he added.

"There is no reasonable ground for directly comparing Sri Lanka's economy with that of Bangladesh."

As an independent and sovereign nation, Sri Lanka can evaluate its own economic situation if necessary, Mannan said.

Free thinkers and the media have been analysing the latest economic scenario of Sri Lanka. "But our government will not analyse Sri Lanka's economy," Mannan said.

However, the current context of Sri Lanka's economy is being discussed all over the country, including various business chambers.

For instance, a leader of a business chamber earlier brought attention to the possibility of replicating Sri Lanka's economic situation in Bangladesh due to the country's low revenue amid high spending to implement various mega projects.



Workers are heading for their factories in an industrial zone under Dhaka district. US Secretary of State Antony Blinken said labour rights issue is an important determinant of Biden administration's foreign policy.

PHOTO: STAR/FILE

Improve labour conditions for GSP, investments

US asks Bangladesh

DIPLOMATIC CORRESPONDENT

Washington has asked Dhaka to improve labour conditions in response to Bangladesh seeking reinstatement of the GSP facility, which was suspended in 2013, and investments in infrastructure, blue economy, IT and pharmaceuticals.

Strong emphasis was put on the issues when Foreign Minister AK Abdul Momen held separate meetings with US Secretary of State Antony Blinken and USAID Administrator Samantha Power in Washington on Monday afternoon.

Momen told Blinken that Bangladesh had become a vibrant economy and a land of opportunities from the "bottomless basket".

The US has, however, invested mostly in the power and energy sector but can invest in IT and pharmaceuticals, he said, adding, "If you invest in pharmaceuticals sector, your country can get medicines at affordable prices."

During the meeting, Blinken sought Bangladesh's partnership to implement its "Indo-Pacific Strategy".

"I said we also want free, inclusive, open

and secure Indo-Pacific. Come, invest in blue economy. We have huge sea. There, we can work together for a secure Indo-Pacific," Momen said.

Blinken positively responded to the proposal of deepening maritime cooperation as the two countries have shared the goals of a free and secure Indo-Pacific region.

Appreciating ongoing works of a tripartite group on labour rights, he underscored that labour rights issues were an important determinant of the Biden administration's foreign policy.

Noting that Bangladesh is not getting development finance from the US International Development Finance Corporation due to the labour rights issues, he stressed upon resolving all impediments.

Momen told Blinken that Bangladesh is a small country and with so many people and things, bringing change is not as easy as it is in the US, where the population density is much less than that in Bangladesh.

He also shared some initiatives taken up with International Labour Organization

(ILO) and European Union (EU) that were helping improve labour conditions. He also sought US participation in the process.

He underscored that Bangladesh has done a lot on safety, as a result of which seven of the top 10 eco-friendly factories were in Bangladesh. He requested Washington to help Bangladesh make improvements in the ease of doing business – a proposal accepted by Blinken positively.

He also called for Blinken's assistance in expediting the matter of opening direct flights from Dhaka to New York.

Foreign Minister Momen met USAID Administrator Samantha Power and thanked her for agreeing to his request to assist in the project of strengthening the coastal embankments in Bangladesh.

Mentionable, a joint feasibility study on this by the USAID and Bangladesh government would commence soon.

Power emphasised that Bangladesh should resolve outstanding labour issues to become eligible for the development finance from the DFC. He also stressed a stronger consultative mechanism between Bangladesh and the USAID on how funds were disbursed.

EBL fined for breaching banking rules

STAR BUSINESS REPORT

The Bangladesh Bank has imposed a fine of Tk 5 lakh on Eastern Bank Ltd (EBL) for disbursing loans to its subsidiary and associate in violation of the single borrower exposure limit.

On March 29, the BB issued a letter to EBL, asking it to pay the fine within 14 days, or else it will deduct the amount from the current account of the bank with the central bank.

Banks in Bangladesh are not allowed to disburse more than 25 per cent of their regulatory capital as a loan to a single client or a group of companies. They have to follow the rule while giving out loans to their subsidiaries and associates as well.

But the loans extended to EBL Securities Ltd and EBL Finance (HK) Ltd, respectively the subsidiary and the associate of the private commercial bank, stood at around 37 per cent of its regulatory capital amounting to Tk 3,300 crore as of September.

The exposure limit set by the BB helps banks avoid excessive loan concentration to individuals and companies and lessen the credit risk by curbing default loans.

The central bank has issued several letters to EBL since October, asking it to explain the violation of the single borrower exposure limit. But, the central bank did not find the bank's explanations to be satisfactory.

EBL also gave out loans to Super Oil Refinery Ltd, breaching the Guidelines on Internal Credit Risk Rating (ICRR) System, another reason that prompted the BB to impose the fine.

As per the guidelines, no loan will be sanctioned to borrowers whose ICRR is 'unacceptable' unless the loan is 100 per cent cash covered or fully guaranteed by the government or multilateral development banks, or the loan is for a state-owned organisation or project.

EBL flouted the guidelines by disbursing fresh loans to the company, according to a central bank letter. The central bank had ordered EBL to explain it, but the reply has failed to satisfy the BB. EBL declined to comment on the matter.

Airbnb suspends operations in Russia

REUTERS

Home rental company Airbnb Inc said late on Monday it had suspended operations in Russia and Belarus.

"Guests globally will no longer be able to make new reservations for stays or Experiences in Russia or Belarus," the company said in a statement. "Guests located in Russia or Belarus will not be able to make new reservations on Airbnb."

It said reservations starting on or after April 4 had been cancelled.

Airbnb Chief Executive Officer Brian Chesky announced the planned suspension on Twitter on March 4. The company had previously flagged its inability to process transactions affiliated with certain financial institutions in Russia and Belarus due to Western sanctions imposed after Moscow sent tens of thousands of troops into Ukraine on February 24.

Large foreign banks

FROM PAGE B1
Although the foreign banks were hit by the business slowdown, they have kept investing in technologies, he noted. "They will reap the benefit of the investment in the future."

In contrast, local banks showed higher profits and provided dividends in 2021, helped by the Bangladesh Bank's relaxed policy that allowed them to count income from unrealised instalments of loans.

"But this is not expected during a crisis," said Habib, adding that as many borrowers did not pay back their loans fully in the last two years, the net interest income of banks fell.

The BB allowed the borrowers to retain their loan status unchanged through the payment of a portion of the loans for two years.

The interest income of Standard Chartered Bangladesh was down 26 per cent to Tk 1,121 crore in 2021. The income from investment fell 31 per cent to Tk 338 crore mainly due to the drop in the interest earnings from government bonds and Treasury bills.

The income from the government bonds and Treasury bills declined to Tk 312 crore from Tk 439 crore a year earlier.

Standard Chartered Bangladesh cut the salary and allowances of its chief executive officer to Tk 4.38 crore from Tk 4.84 crore a year ago, the financial statements showed.

HSBC Bangladesh's net

interest income dropped to Tk 766 crore, a fall of 8.24 per cent from Tk 835 crore in the previous year, according to the financial report.

Commissions, exchanges and brokerage charges fetched Tk 461 crore for the bank, up 12 per cent year-on-year, helped by higher earnings for the opening of letters of credits for imports.

The income from the opening of LCs stood at Tk 231 crore, a rise of 27 per cent.

The British lender managed to keep its operating costs almost unchanged: it was Tk 546 crore last year against Tk 544 crore in 2020.

HSBC Bangladesh's CEO saw a pay-cut of 23 per cent to Tk 4.33 crore.

In a statement, the bank says its underlying business was resilient and it is well-positioned for future growth.

"We saw good annual growth in overall assets and liability balances, and we maintained good profitability. We are also proud to have supported the people and businesses of Bangladesh during the pandemic."

Speaking about the fall in profit, the London-based lender said the pandemic impacted all banks and HSBC was no exception.

Standard Chartered Bangladesh says its profits were impacted by the lower income as well as higher loan impairment charges.

"The bank's income performance was

adversely impacted by margin compression in both commercial and investment books due to the significant surplus liquidity in the market."

In a statement, the multinational lender says it booked higher impairment charges in 2021 to absorb any loan losses, which may arise post-payment moratorium.

The provisions held by the bank stand at 257 per cent of the required provisions as per Bangladesh Bank guidelines, and the provisions coverage ratio was 135 per cent of non-performing loans.

Despite the higher impairment charges, the bank's capital adequacy ratio remained strong at 23.4 per cent against the market average of 11.22 per cent in September.

"With its strong capital base and surplus liquidity, the bank is well-positioned to grow its business in 2022 and beyond," added Standard Chartered Bangladesh.

The National Bank of Pakistan returned to profits last year.

The profits stood at Tk 30.58 crore, compared to Tk 21.67 crore losses it incurred a year ago.

However, the Karachi-based state-run multinational commercial bank's net interest income was still in the red.

The net interest income was Tk 55 crore in the negative in 2021, an improvement from Tk 123 crore in the negative a year ago.

Govt lifts investment cap on dollar

FROM PAGE B1
When it comes to investments higher than \$500,001, investors will get 3 per cent interest, according to the notification.

The government introduced the two bonds in 2002 to attract NRB investment in Bangladesh.

Bangladeshi diaspora can buy the bonds through their foreign currency accounts at banks or through cheques or draft. They can apply for buying bonds through branches of Bangladeshi banks abroad.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, suggested being cautious in the issuance of bonds to be paid back in foreign currency.

Sri Lanka faced a problem in repaying debts because of a build-up of repayment pressure, he said.

"There is uncertainty in the global economy. At this moment, the government could maintain the investment ceiling as increased debt through bonds will fuel repayment costs."

"As bonds are issued, the funds generated should be used properly so that adequate returns are generated to repay the debt," he added.

7up celebrates Ramadan with limited-edition packs

STAR BUSINESS DESK

7UP, a lemon-lime flavoured non-caffeinated soft drink brand, unveiled its summer campaign featuring brand ambassador Shakib Al Hasan and its limited-edition Ramadan packs yesterday, marking the month of Ramadan with a dash of fresh thinking.

The new packaging developed by the PepsiCo Design and Innovation team drew inspiration from the various elements that embodied the spirit of Ramadan, from the crescent moon to the golden and green pattern, a press release said.

As a part of the campaign, 7UP released a TV commercial which transports Shakib Al Hasan to his go-to Iftar place 'Montu Mama's Hotel' in his hometown on the occasion of Ramadan.

"The new 7UP TVC is really close to my heart, as it uplifts our spirits with a heartfelt message delivered via quick wit. I am certain that it will also touch the hearts of my fans during Ramadan," said Shakib.

"We are thrilled to collaborate with Shakib again, who mirrors 7UP's innovative and creative approach towards life. We are confident that our campaign will be well received by our consumers as well," said Naseeb Puri, senior marketing director for Bangladesh at PepsiCo.

"We are optimistic that this campaign with 7UP's mascot, Fido Dido, along with Shakib Al Hasan's youth appeal will bring happiness and freshness to our consumers' lives during Ramadan," said Sharfuddin Bhuiyan Shamol, head of marketing at Transcom Beverages.

Oil output back to pre-sanctions level: Iran

AFP, Tehran

Iran's oil production capacity has returned to the same level as prior to the reimposition of sanctions in 2018, when the US unilaterally withdrew from a nuclear deal, a top official said.

"Oil production has reached pre-sanctions figures, despite economic pressures," said Mohsen Khojastehmehr, CEO of the National Iranian Oil Company (NIOC), quoted by state news agency IRNA on Sunday.

Paperfly secures Tk 102cr

FROM PAGE B1
fastest mid-mile network, app integration, and cashless pay at the doorsteps.

In September last year, the company launched its first contract B2B (business to business), door-to-door express delivery services, targeting the local courier and parcel industry.

The new investment will help the company build a stronger nationwide network to cater to the courier (express) and parcel industry and the fast-growing e-commerce segment.

In at least 24 districts, the company can make deliveries in 24 hours, Rahat said.

TA Krishnan, CEO

and co-founder of Ecom Express, says: "The investment reinforces our confidence in the Bangladesh market and will enable the company

Shahriar Hasan, founder and CEO of Paperfly.

Currently, Paperfly employs around 2,000 people and provides delivery services through



to be future-ready in managing the scale. We look forward to being part of their growth journey."

"We are glad that the potential of the Bangladesh logistics arena is being clearly recognised through this additional round of fund injection," said

200 points. Mustafa Jabbar, posts and telecommunications minister, welcomed the investment.

"As the online services that bring comfort to people are set to see growth, Paperfly's vision of online service will flourish

further," he said. The company is likely to face stiff competition from eCourier, which also rolled out the door-to-door online parcel delivery service last year and now covers the entire country.

Local start-ups have attracted more than \$21 million from external investors so far this year, according to data from consultancy firm LightCastle Partners. Local startups have received around \$700 million in global funding so far.

There are more than 100 courier service companies in Bangladesh and the courier market currently stands at around Tk 1,200 crore.



A fish farmer in Trishal upazila of Mymensingh displays a large Pangas. Although fish prices have improved this year, rising feed prices are costing local aquaculturists dearly as they are left with little to no profit.

PHOTO: COLLECTED

Price hike of fish feed keeps farmers in trouble

MD AMINUL ISLAM, Mymensingh

The rising cost of fish feed has dealt a fresh blow to thousands of aquaculturists in Mymensingh who had only just started recovering from the coronavirus fallout as transportation and other facilities returned to normal after economic activities resumed.

The government had enforced a nationwide economic shutdown between March 26 and May 30 last year in a bid to curb the spread of Covid-19.

But even after the lockdown ended, certain restrictions on public movement and other measures were kept in place to control the recurring waves of infection.

As a result, thousands of fish farmers in Mymensingh, one of Bangladesh's main fish producing hubs, faced significant losses due to the lack of smooth transportation facilities.

Abu Raihan, an aquaculturist based in Dhanikhola village of Trishal upazila, told this correspondent that the price of fish feed advanced significantly in recent months.

The price of fish feed rose by about Tk 8 to Tk 10 in the last six months, and around Tk 15 in the last one year.

"This is yet another trouble for fish farmers who have been hit hard by the pandemic as production costs are now higher than trade prices," he said.

For example, Basa, locally known as Pangas, are currently being sold for between Tk 100 and Tk 105 per kilogramme (kg) even though it costs around Tk 95 to produce.

Other breeds such as the Climbing Perch (Magur) and Gulsha are priced



between Tk 180 to Tk 240 per kg and Tk 250 to Tk 300 per kg respectively while the Roho labeo (Rui) and South Asian Carp (Katal) cost about Tk 150 to Tk 300 per kg depending on its size even though each species costs at least Tk 150 to produce.

And although the fish market is now faring a little better than last year, the increase in production cost has wiped any smile off the farmers' faces, Raihan said.

Echoing him, Md Nurul Haque, proprietor of Brahmaputra Fish Feed Complex in Mymensingh sadar upazila, said farmers were left with little to no profit under these circumstances.

To address the issue, the government

needs to strictly monitor the feed market as farmers require this support to survive such hard times, according to Subrata Kishore Thakur, another fish farmer in Trishal upazila.

Dilip Kumar Saha, district fisheries officer of Mymensingh, recently spoke with the owners of some fish feed factories in Bhaluka upazila who told him that the present situation was a result of them not yet getting orders for the required raw materials.

Saha then claimed that the price hike is restricted to certain areas where local dealers are pulling the strings.

About the losses faced by farmers last year, he said local aquaculturists were unable to supply their fish to

various parts of the country due to the lack of transport facilities amid the countrywide lockdown.

And as the fishes remained unsold while feeding and maintenance costs increased, farmers incurred serious losses and ultimately had to sell their fish at throwaway prices, Saha added.

There are around 112,000 fish farmers in the district who mostly hail from the Trishal, Gouripur, Phulpur, Tarakanda, Bhaluka and Muktagacha upazilas. There are also some 295 hatcheries and 1,043 nurseries in the district.

Mymensingh's aquaculture industry faced losses of Tk 400 crore amid the Covid-19 pandemic. The region produces around 3.95 lakh tonnes of fish each year against local demand of 1.26 lakh tonnes, according to the district fisheries officer.

The surplus is supplied to different districts in the country, including Dhaka. But in some cases, farmers do not get fair prices for their hard work.

For example, fishes are sold for nearly half their retail value as middlemen eat up a lion's share of the profits, local farmers said.

For sustainable and safe production, fair prices should be ensured. Besides, a fish processing zone and cold storages should be set up in Mymensingh in order to support the industry.

And other than ensuring proper monitoring of feed prices, the authorities should widen the scope for export, they added.

Farmers in the region also urged for their problems to be addressed on a priority basis while saying that easy

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DSE index drops below 6,700 points

STAR BUSINESS REPORT

The stock market index dropped for a second consecutive day yesterday while turnover of Dhaka Stock Exchange (DSE) dropped to its lowest in the past one year.

The DSEX, the benchmark index of the premier bourse of the country, went down 26 points, or 0.36 per cent, to 6,694 at the end of the day.

Turnover, an important indicator of the market, dropped 7 per cent to Tk 575 crore yesterday from the previous day's Tk 620 crore. It was the lowest since April 13 of 2021 when it had stood at Tk 556 crore.

The stocks extended its losing streak and the broad index, DSEX, dipped below the 6700 mark again as the investors maintained their selling spree, said International Leasing Securities in its daily market review. The index has dropped below the 6700-point mark after 10 trading days.

The investors preferred to hold onto their cash fearing a price hike of necessities during Ramadan and for the worldwide ongoing economic turmoil, it said.

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Chinese firm to invest \$12.89m in Mongla EPZ

STAR BUSINESS REPORT

Chinese company Xihe Textile Technology Bangladesh Ltd is going to set up a garments manufacturing industry in Mongla Export Processing Zone (EPZ) with an investment of \$12.89 million.

Some 2,892 Bangladeshi nationals will get employment opportunity in this factory, Bangladesh Export Processing Zones Authority (Bepza) said in a statement yesterday.

This fully foreign owned company will produce annually 5 million pieces of woven garments and 2.3 million pieces of knit garments.

Xihe Textile has another garment factory named Garments Manufacture JINLITE Bangladesh in Mongla EPZ.

Ali Reza Mazid, member for investment promotion of Bepza, and Yang Jilai, managing director of Xihe Textile Technology Bangladesh

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Mexico-Bangladesh business platform launched

STAR BUSINESS REPORT

Mexico-Bangladesh Virtual Business Platform has been launched with an aim to create better opportunities and bring the business community of both the countries to a single platform.

The platform was launched through a webinar organised by the Mexican Business Council for Foreign Trade, Investment and Technology (COMCE) on Monday, said a press release of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

In the programme, FBCCI President Md Jashim Uddin said the relations between the two countries have gradually enhanced since July 8, 1975, but have not reached their fullest potential yet.

Highlighting the rapid development and favourable investment policy in Bangladesh, the FBCCI chief urged Mexico to invest in the thriving sectors with innovation, including agro-based products, leather goods, automobiles, light engineering, and information technology.

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War won't cause recession: EU

AFP, Luxembourg

The European economy is set to suffer a sharp slowdown due to the war in Ukraine, but should avoid stumbling into recession, top EU officials said on Monday.

"Our current assessment is that the implications of the war in Ukraine will (bring)... a substantial slowdown of economic growth in the EU but not a recession," EU executive vice president Valdis Dombrovskis told reporters as he arrived for talks with eurozone ministers.

In February, just before Russia's invasion of Ukraine, the EU executive had forecast that the 19-nation eurozone would grow by a strong four percent as a dynamic recovery from the coronavirus pandemic took hold.

The war in Ukraine -- which has seen the cost of living skyrocket -- will no doubt downgrade that forecast when new projections are released on May 16, officials said.

"Of course there are risks, but there is also plenty of energy in our economies to keep a reduced, very much reduced level of growth," said EU commissioner Paolo Gentiloni, who handles economic affairs.

The former Italian prime minister said that isolating Russia economically would have a cost for the EU, but that "we're ready to do this". "This is not (an act of) war, but... we have to pay some price," he said.

The war in Ukraine has already caused inflation in the eurozone to soar to a record 7.5 per cent year-on-year in March and consumer confidence to plummet.

Talk of a gas supply cut from Russia, which provided the EU with about 40 per cent of its gas needs in 2021, has also jarred analysts and rocked the markets.

Dombrovskis said the bloc could weather any aftershocks if it came to that.

A cut in the gas flowing from Russia is "not without problems, but it's possible to cope with a situation like this," he added.



The tower of the European Central Bank main building is pictured by night showing the illuminated euro currency symbol in Frankfurt am Main, western Germany.

PHOTO: AFP/FILE

Elon Musk buys large stake in Twitter

AFP, New York

Twitter's shares soared after Tesla CEO Elon Musk disclosed on Monday a large stake in the social media company, which he has criticized for its approach to speech rights.

Musk, who has more than 80 million followers on the microblogging platform, became its largest shareholder following the purchase of 73.5 million shares or 9.2 per cent of common stock, according to a securities filing.

The investment is worth about \$2.9 billion based on Friday's share price. Musk is currently the world's richest man, with a net worth of \$287.6 billion, according to Forbes.

The billionaire is a frequent Twitter user, regularly mixing in inflammatory and controversial statements

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