

## Singer leases land in Rupganj for new factory

### STAR BUSINESS REPORT

Singer Bangladesh has entered into an agreement with Bangladesh Special Economic Zone (BSEZ) to take lease of 35 acres of land in Rupganj of Narayanganj to establish a manufacturing complex.

The listed multinational electronics and home appliance maker yesterday informed shareholders of the agreement.

The BSEZ is the first special economic zone developed by a Japanese company in the country in partnership with Bangladesh Economic Zones Authority.

In last March, Singer Bangladesh approved a budget for establishing a new manufacturing facility in order to increase its manufacturing capacity. The land would be used for that purpose.

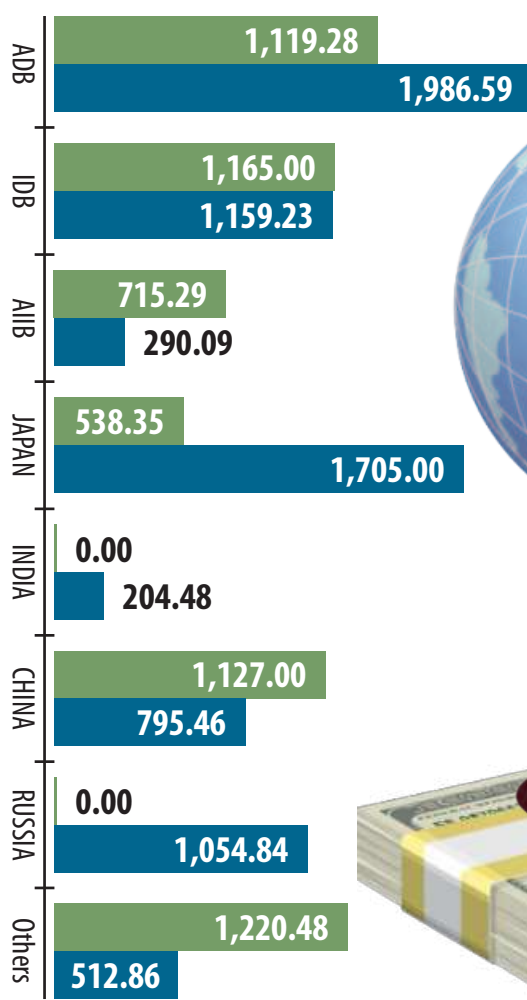
### Singer's sales rose 6 per cent year-on-year to Tk 1,577.63 crore in 2021

The budget approved by the board of directors was of around €71 million, equivalent to Tk 680 crore, according to another disclosure posted on the Dhaka Stock Exchange (DSE) website that month. The investment will be financed from internal sources, bank financing and foreign and local borrowing.

The company has reserves and surpluses of Tk 241 crore, according to the DSE data. The proposed manufacturing facilities would cater to the increasing local demand with a competitive price and would also contribute to the company's growth, it added.

Singer's sales rose 6 per cent year-on-year to Tk 1,577.63 crore in 2021.

Meanwhile, its profits however dropped 35 per cent to Tk 51 crore, according to its annual report. Stocks of Singer Bangladesh remained almost unchanged at Tk 167.50 yesterday.



## FOREIGN AID COMMITMENT AND DISBURSEMENT

From July 2021 to April 2022; In million \$  
SOURCE: FAB AND ICT WING, ERD

COMMITMENT ■  
DISBURSEMENT ■



# Foreign aid disbursement up 58pc in 10 months

REJAUL KARIM BYRON and MD ASADUZ ZAMAN

Foreign assistance disbursement jumped 58 per cent in the current fiscal year's July-April period thanks to spending for vaccination, one-time budget support and implementation of mega projects, including that of the Russia-funded Rooppur nuclear power plant.

Development partners disbursed \$7.71 billion, up from \$4.86 billion in the previous fiscal year, according to data of Economic Relations Division (ERD).

This was the highest growth since fiscal 2017-18, when it had ballooned 74 per cent year-on-year to hit \$6.1 billion, according to data compiled by Bangladesh Bank.

Despite the SWIFT ban, Russia provided the fourth largest loan, \$1.05 billion, a majority of which was spent on the Rooppur plant.

The Rooppur plant will cost Tk 113,092 crore while Tk 51,292 crore has been spent till April this fiscal year.

The project is about 46 per cent complete as of April, the best performance exhibited among the mega projects this year. Progress has been as per schedule with the first unit to open by 2024 and the second unit by 2025.

The project had become mired in uncertainty following Russia's invasion of Ukraine and the resulting Western sanctions against Russia.

The project is being constructed on a build-and-finance deal with Russian state agency Rosatom, which is responsible for 76 per cent of global nuclear technology exports.

No fund comes in from Russia but equipment and technology, whose values are counted as expenditure for setting up the nuclear plant.

Asian Development Bank (ADB) topped the fund disbursement list with \$1.99 billion. A finance ministry official said the Manila-based development lender has already disbursed around \$1 billion in assistance for Covid-19 vaccination.

Besides, it has almost disbursed all its budgetary support for this fiscal year, as a result of which the total amount has been increased.

Japan has become the second biggest financial support provider with \$1.7 billion.

The ERD officials say several mega projects funded by Japan, including that of the Dhaka metro rail, Matarbari port and coal-fired power project, are being implemented in full swing following the easing of the coronavirus restrictions.

The third highest lender is World Bank, which disbursed \$1.16 billion.

A good amount of funds have been disbursed by World Bank to support efforts aimed at tackling the pandemic along with regular loans.

According to officials, there was not much use of the World Bank fund initially. But it has recently picked up and the government has spent a majority of the fund under Covid-19 support.

Bangladesh has set an ambitious target to receive \$12.98 billion in foreign assistance from the development partners in the current fiscal year.

But the ERD may slash the allocation target in the revised budget by \$1.5 billion as the fund use has been lower than expected. Bangladesh spent around \$3 billion to \$3.5 billion annually from 2013-14 to 2016-17.

Spending of foreign funds crossed \$7 billion per year since fiscal year 2018-19.

At the same time, the amount of aid pledged by development partners rose 11 per cent year-on-year to \$5.89 billion at the end of April.

Besides, the principal and interest payments of foreign loans are also increasing. From July to April this year, \$1.75 billion has been repaid. At the same time last year, it was \$1.6 billion.

## BB lines up Tk 100cr for digital nano loans

### STAR BUSINESS REPORT

Bangladesh Bank yesterday introduced a Tk 100 crore refinance scheme for "digital nano loan" disbursements with an aim to expand the financial inclusion of marginalised people.

Participating banks will be able to disburse loans of Tk 500 to Tk 50,000 to individual customers with up to 9 per cent interest under the scheme.

The loans have to be disbursed entirely digitally by using internet banking, mobile apps, mobile financial services (MFS), or e-wallet services, according to a central bank circular.

Scheduled banks will be able to avail the fund to disburse it to customers. Of the Tk 100 crore, Tk 50 crore will be disbursed as loans and later, another Tk 50 crore will be given as refinance benefits.

However, the banks will have to have digital infrastructure to disburse the loans or partner with any digital financial service provider, according to a Bangladesh Bank official.

Beneficiaries will have to repay the loan within six months of receiving it.

"We are greatly encouraged by this good initiative taken by the central bank," said Kamal Quadir, founder and chief executive officer of bKash, a leading digital financial service provider in the country.

### Of the fund, Tk 50 crore will be disbursed as loans and Tk 50 crore as refinance benefits

AKM Fahim Mashroor, chief executive officer of Delivery Tiger, which recently collaborated with microfinance intuition Shakti Foundation to disburse collateral-free digital loans among SME-based F-commerce companies, echoed the same.

"It is a step in the right direction," he said, adding that it would be difficult for banks to disburse the fund on their own.

"So, it is important to engage fintech companies in this process so that they can engage in credit rating, loan collection and so on."

Mashroor went on to say that it is very important for SMEs and MSMEs to get this loan.

"But Tk 100 crore is a small amount, it should be increased to Tk 500 crore and clients should be eligible to get up to Tk 2 lakh," he said.

The global phenomena of digital lending entered Bangladesh after City Bank, in collaboration with MFS provider bKash, launched the product in December last year.

"Our current banking partner for such small loans, City Bank, might avail this facility. We are also excited by the fact that this financing facility is being launched after the first pilot and the subsequent successful launch of Bangladesh's first digital nano loan through bKash in partnership with City Bank," said Quadir.

"The regulatory facilitation and guidance of Bangladesh Bank will help us to continue our work of bringing new inclusive financial products," he added.

Dhaka Bank and Prime Bank is running a pilot digital nano loan project to launch the service soon.

## Mercantile Bank puts sustainability Exports slow

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"As a result, we would be able to serve our customers better," the managing director said.

The bank will continue its focus on both branch-led banking and online banking as it moves forward.

"We continue to invest significantly in modernising and improving our digital capabilities. But that does not mean the bank will lose its personal touch."

"Will continue to expand our branch, sub-branch and agent banking networks as these provide a more personal touch to our customers. For us, it is not one or the other. We intend to provide both cutting-edge digital banking options as well as a strong branch network to our customers."

According to Chowdhury, MBL has made differences in the banking industry through efficient manpower, better customer service, deployment of modern technologies, the balance between digitalisation and personal touch, and strong corporate governance.

Mercantile Bank's Founder Chairman Abdul Jalil also always emphasised the well-being of the marginal people of the society.

"MBL believes that true success does not lie in profit maximisation, but in doing something good for the less privileged," said Chowdhury.

The noted banker also touched upon the financial health of the country's banking sector.

He pointed out that the regulatory authorities of Bangladesh have taken new initiatives to build up and strengthen the foreign exchange market through increasing exports and attracting inward remittances.

The government and regulatory authorities are monitoring financial institutions to minimise the risk that have emerged from the Russia-Ukraine war, which has a worldwide impact on economic development.

"Bangladesh is not an exception. Still, Bangladesh's economy is stronger than many other countries."

The bank set up the Mercantile Bank Foundation (MBF) with a view to carrying out broader corporate social responsibility (CSR) activities under the Bangladesh Bank's guidelines.

The foundation has undertaken a range of activities over the past 23

years with the sole purpose of helping its targeted people to improve their quality of life. It is also contributing to creating a quality workforce.

MBL has been awarded various times by the Institute of Chartered Accountants of Bangladesh for the best presented annual reports.

"This testifies to our commitment to promoting transparency," said Chowdhury, who obtained master's degree in marketing from the University of Dhaka.

The bank was awarded the "National Productivity and Quality Excellence Award 2016" by the government, the "US Dollar Clearing MT202 Elite Quality Recognition Award" by JPMorgan Chase, and the Amcham CSR Excellence Award in 2021.

In 2018, it introduced the "MBL Young Bankers Appreciation Award" to inspire young bankers and make them more professional.

"The bank is well-positioned for the future and has the ability to continue to deliver superior and long-term performance to customers, shareholders, people and the communities," said Chowdhury.

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cotton products, carpets, footwear, terry towels, ceramics, ships and bicycles performed strongly in May.

However, jute and jute goods export declined 3.19 per cent to \$1.05 billion, EPB data showed.

The slowing economies, higher inflation and uncertainty in Europe might have prompted consumers to cut back on their spending, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

"The slowdown in exports also indicated that. If this continues, Bangladesh may not be able to maintain its higher export momentum in the

coming months."

The economist says exporters are gaining from the weakening of the taka against the US dollar and they are supposed to convert their earnings into the local currency.

But the central bank should see whether any exporter is delaying the conversion of their export receipts into the local currency in the hope of further devaluation of the taka, he said.

The Bangladesh Bank, however, yesterday allowed the market forces to determine the exchange rate of the taka against the US dollar, for the first time in a decade. This means exporters will get the dollar rate as per the market price.

## Trade deficit shoots up

FROM PAGE B1  
Bangladesh has to import a number of key commodities, namely wheat, edible oil, sugar and pulses. The nation also has to import petroleum, industrial raw materials and intermediate goods to run both its domestic market and export-oriented industries.

Imports, which slowed in the last two months, were still 41 per cent higher year-on-year in the July-April period whereas exports grew 35 per cent at the same time.

The gap against the backdrop of a drop in the inflow of remittance, a major pillar of Bangladesh's \$465 billion economy, worsened the availability

of foreign exchange to finance imports and increased pressure on once comfortable foreign exchange reserves.

Current account deficit ballooned over nine times year-on-year to \$15.30 billion, the highest on record, in the July-April period of the current fiscal, central bank data showed.

The previous widest deficit in the current account was the \$9.56 billion recorded in FY18. The amount of imbalance was \$4.5 billion last fiscal year.

Overall balance with regard to the external account also became negative until this fiscal year from positive balances in the last two fiscal years, according to the data.



Selim RF Hussain, managing director of Brac Bank, inaugurated five sub-branches at Dhaka's Tejgaon and Nikunja, Narayanganj's Shibubazar, and Madaripur's Takerhat and Shariatpur on Wednesday.

PHOTO: BRAC BANK

## US firms fret about high prices, wages

AFP, Washington

Solid growth continued across the United States, even as firms faced an ongoing struggle with a worker shortage and rising prices, although there were some tentative signs the tide may be turning, the Federal Reserve said Wednesday.

The central bank's latest "beige book" survey of business conditions noted red flags in some regions where there were rising concerns about an economic downturn. All 12 Fed regions reported growth, although a third of those said the pace has slowed, and three "specifically expressed concerns about a recession," the report said.

## Haribhanga farmers

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Many locals can be seen passing busy days crafting these baskets for sale at a wholesale market in Padaganj Bazar under Badarganj upazila.

After facing problems with transportation for the past two years, the farmers demanded the local administration make special arrangements to

facilitate the shipping of Haribhanga mangos to other parts of the country. This includes repairing roads and setting up rest-stops as well as ensuring access to banking facilities.

Md Asib Ahsan, the deputy commissioner of Rangpur, was present at a recent meeting held in Padaganj Bazar, where he said an app would be

launched on June 20 to ease the marketing process for farmers and traders.

Obaidur Rahman, deputy director of the DAE office in Rangpur, said that each hectare of the total land cultivated will produce around 18 tonnes of the fruit this year, providing farmers and traders with the scope to do business of Tk 200 crore.

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## Padma Bank gets

FROM PAGE B1  
The five financial institutions injected Tk 715 crore into the bank to acquire 60 per cent of its stakes.

Established in 2013 as Farmers Bank, the lender had fallen prey to scamsters. A Bangladesh Bank investigation found that more than Tk 3,500 crore was siphoned off between 2013 and 2017.

Until January, the accumulated loss of the bank stood at around Tk 805 crore and the BB allowed it to adjust the amount within the next 10 years.

Padma Bank had earlier requested the central bank

to allow it to clean its balance sheet so that it could draw foreign investors.

The lender signed a memorandum of understanding with DelMorgan & Co, a US-based investment bank, in September 2021, to secure foreign investments.

The investment bank had proposed to mobilise foreign investments of \$700 million for Padma Bank. However, the Bangladeshi lender would have to show its balance sheet as transparent.

Padma Bank's capital shortfall stood at Tk 540 crore as of September 2021

and default loans surged to Tk 3,586 crore, which accounted for 62.4 per cent of its outstanding loans.

"We have received a massive regulatory support from the central bank. This, coupled with other policy measures, will help us sustain and make a turnaround gradually," Tarek Reaz Khan, managing director of Padma Bank, told The Daily Star.

Because of the capital restructuring, the accumulated loss and the provision shortfall have been converted into intangible assets, helping the bank reach break-even in 2021, he said.