

Eastern Cables to export electrical wires to China

STAR BUSINESS REPORT

Eastern Cables is set to export aluminium electrical wires worth \$4.20 million to China, according to a company disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

The listed state-run cable and conductor manufacturer has already signed an agreement with China National Technical Imp & Exp Corp (CNTIC) in this regard, it said. CNTIC, managed by China's central government and headquartered in Beijing, distributes energy as its core business, which covers the import and export of major technical equipment, contracting and managing domestic and overseas engineering projects, and so on.

Stocks of Eastern Cables soared 9.94 per cent to Tk 161.50 after the news broke on the DSE website.

The local wire maker's sales rose 17.6 per cent year-on-year to Tk 67.86 crore in financial year 2020-21 and all of the sales were in local markets, according to the company's latest annual report.

But despite the higher sales, it incurred a loss of Tk 12.19 crore that year while it was Tk 16.92 crore previously. Eastern Cables has been failing to get orders from local and international buyers and so, its sales plunged in the last few years.

These losses were compounded by the fact that the company had to increase the salaries and wages of its employees as per the government's national pay scale, as per the annual report.

In 2020-21, it sold 2,072 tonnes of cables and conductors instead of the targeted 4,500 tonnes, and the trend was the same in the previous year also.

In addition, the company is lagging behind in competition with private companies, it said.

In this situation, the export agreement gave a good impression to stock investors and so, the stock price rose, according to a stock market analyst.



About 80 per cent of the people in Bangladesh's cities live in rented properties all their lives, mostly due to a lack of mortgage finance, which accounts for 3 per cent of the loan market in the country, below the average of 4.9 per cent in South Asia and 8.9 per cent in emerging markets.

PHOTO: STAR

First-ever housing bond launched

STAR BUSINESS REPORT

Thousands of low and middle-income urban and rural families in Bangladesh, often underserved by commercial banks, are expected to be able to take out affordable housing loans through the International Finance Corporation's investment in the country's first housing bond to be issued by Brac Bank.

The IFC will make a subscription of up to \$50 million-equivalent Bangladeshi taka denominated, five-year senior bond by Brac Bank, in order to fund and expand the Bangladeshi lender's affordable housing finance programme, said the private sector lending arm of the World Bank Group in a press release yesterday.

The move is expected to create thousands of new jobs in construction and related industries.

It's estimated that about 80 per cent of people in Bangladesh's cities live in rented properties all their lives, mostly due to a lack of mortgage finance. Home mortgages only account for 3 per cent of the loan market in Bangladesh, below the average of 4.9 per cent in South Asia and 8.9 per

cent in emerging markets.

This is because most financial institutions focus on providing housing finance to higher-income people, while access to formal housing loans for low and middle-income segments is very limited. This causes a surplus in premium housing and a shortage of both housing finance and housing units for low and middle-income people.

"We, along with the IFC, recognise that far too many low and middle-income earners simply can't access the funds they need to buy a home. Now people of semi-urban areas can also fulfil their dream of owning a house with our affordable home mortgage facilities," said Selim R F Hussain, managing director of Brac Bank, in the press release.

As an investor in the bond, the IFC will help deepen the country's long-term bond market which remains underdeveloped, according to the press release.

The investment was supported by the Joint Capital Markets Programme (J-CAP), a World Bank Group initiative to develop debt capital markets. The IFC's work upstream with J-CAP efforts involved

supporting Brac Bank in structuring and laying the groundwork for the bond in Bangladesh.

The investment is also supported by the local currency facility of the International Development Association's Private Sector Window through a US dollar/BDT cross-currency swap to facilitate local currency lending.

"This innovative deal marks an important milestone in the development of the domestic long-term bond market and offers multiple benefits for Bangladesh, with first and foremost helping to tackle the acute need of low and middle-income people to obtain affordable housing finance," said Allen Forelmu, regional industry director of financial institutions group at the IFC for Asia and the Pacific.

"It is also the first time that a foreign investor plans to invest in an onshore local currency bond to be issued by a local private institution to finance housing. It then demonstrates opportunities for new foreign and local investors to invest in such thematic bonds in the domestic corporate bond market."

Bida starts building inspection in Dhaka

STAR BUSINESS REPORT

Safety teams led by Bangladesh Investment Development Authority (Bida) started inspecting multi-storied commercial buildings in the areas of Dhaka North and South City Corporations yesterday.

Initially, 11 integrated inspection and monitoring teams were formed to inspect 1,072 buildings.

The Department of Inspection for Factories and Establishments (DIFE) is providing overall support for the smooth execution of inspection activities.

On the first day, the teams inspected Gulshan Pink City Shopping Complex in Dhaka North City Corporation and the Gausia Market in Dhaka South City Corporation.

These inspection activities are being carried out through a new checklist containing 82 questions, according to a statement released by the DIFE today.

Md Nasir Uddin Ahmed, inspector general (IG) of DIFE, briefed the teams about inspection rules on the eve of the inspection at a meeting held at the Sromo Bhaban in Dhaka.

BGMEA seeks quick release of goods from BM Container Depot

STAR BUSINESS REPORT

Garment exporters yesterday demanded quick completion of survey and fast release of the 811 containers stored inside BM Container Depot, where a massive industrial accident took place last month, killing 49 and injuring 200.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) made the call in a meeting with Abu Hena Md Rahmatul Muncem, chairman of the National Board of Revenue (NBR), at the latter's office in Dhaka yesterday.

Some 391 containers of garment items have been waiting at the port area to be exported, said Shahidullah Azim, senior vice president of BGMEA.

Oil price rises

REUTERS, London

Oil rose on Monday as supply concerns driven by lower OPEC output, unrest in Libya and sanctions on Russia outweighed fears of demand-sapping global recession.

Euro zone inflation hit yet another record high in June, strengthening the case for rapid European Central Bank rate increases, while US consumer sentiment hit a record low, read more

Brent crude rose \$1.55, or 1.4 per cent, to \$113.18 a barrel by 1318 GMT after falling more than \$1 in early trade. US West Texas Intermediate (WTI) crude rose \$1.34, or 1.2 per cent, to \$109.77.

The Organisation of the Petroleum Exporting Countries (OPEC) missed a target to boost output in June, a Reuters survey found.

Locally made AI chatbot

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The main purpose of the bot is to serve its citizens with necessary information and guidance related to transparency and security. Approximately, 96.87 million internet users of the country can avail the service by simply using a smartphone or a computer.

In the first 30 days of deployment, the bot handled more than 4,000 unique sessions. And out of these queries, 13 per cent have been made over WhatsApp.

Chatbots are automated conversational programs offering customers a more personalised way to access information. The key takeaway is that they make use of machine learning

and AI to understand queries or requests and formulate an accurate response of the users based on the conversation context via messaging apps, websites, mobile apps, or the telephone.

Reve Group, which entered the telecommunication and technology business in 2003, launched Reve Chat in 2015 against the backdrop of business process automation swelling globally with artificial intelligence-driven technology, replacing traditional call centres.

Chatbot virtual assistants are becoming increasingly popular among users in business-to-consumer (B2C) and business-to-business (B2B) settings.

The global chatbot market size was worth \$526 million in 2021. It is expected to reach \$3.6 billion by 2030, with a compound annual growth rate of 23.9 per cent during the forecast period (2022-2030), according to

Straits Research, a market research organisation specialising in research and analytics. Reve's chatbot can be integrated with Website, WhatsApp, Viber and Facebook Messenger and local talent with expertise in machine learning and artificial intelligence are developing these tools.

Reve Chat initially started with live chat services with local clients such as Rokomari, Othoba, Grameenphone, Transcom

and Southeast Bank. Later in 2021, Reve Chat, which now employs around 70 tech talents, started developing chatbots.

In May that year, LankaBangla Finance launched "Shikha" chatbot, a virtual assistant developed by Reve Chat to provide faster, improved, and convenient services to customers.

The company is also getting many orders from global clients.

It has so far developed chatbots for many international clients including the Commercial Bank of Kuwait, Telecom Networks Malawi, Canadian Hearing Services, South America's leading transportation company

Beat, India's Coolwinks and Public Gold Malaysia to name a few.

Recently, it has secured a big deal with one of India's largest e-Learning platform iNeuron.ai.

Hassan said modern organisations were now using smart AI-enabled chatbots to communicate with their audiences. Government organisations were no exception. They are also making smart decisions in choosing smart technologies for better communication with the citizens, he said.

"We have recently developed a chatbot for one of the largest financial organisations in the world and it will be launched soon," he added.



Film actor Amin Khan, also senior executive director of Walton, inaugurates the company's distributor showroom at the Haji Faruk Tower in College Bazar area, Shikolbaha in Karnaphuli upazila, Chattogram recently. Ekramul Hoque Patwary, managing director of Hoque Electronics, Amdadul Hoque Sarker, deputy managing director of Walton Hi-Tech Industries PLC, and Monirul Hoque Mona, head of Walton distributor network, were present.

PHOTO: WALTON

GP sees stocks fall

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should have quality services indicators that are not changed frequently.

This is because sudden policy changes are not favourable for long-term investors in the country, said the leading merchant banker.

Echoing the same, Shahidul Islam, chief executive officer of the VIPB Asset Management Company, said general investors think that Grameenphone's ban on selling SIMs has benefited Robi while negatively impacting the leading network provider.

So, they are behaving accordingly in terms of trading, Islam added.

He went on to say that the BTRC took the decision

citing the bad quality of Grameenphone's service but this raises the question of whether the quality of other operators was assessed properly.

"If the law is enforced fairly for all competitors, then it is acceptable even if it hampers stock investors, however, the BTRC did not publish any assessment for other telecom operators," Islam said.

"The decision against Grameenphone has negatively impacted its stock investors," added Islam, who is former president of the CFA Society Bangladesh.

Grameenphone's average call drop rate in December was at 0.29 per cent in Dhaka division, with exception

to city corporation areas, according to the results of a nationwide drive published in March.

Robi's call drop rate during the same period was 0.23 per cent while Banglalink's was 0.32 per cent and Teletalk's was 2.69 per cent.

As per the BTRC's policy, the call drop rate should be less than 2 per cent.

Market leader Grameenphone had 8.49 crore subscribers as of this May, which is 46.11 per cent of all mobile subscribers in the country.

The BTRC said in its letter that Grameenphone has been increasing its subscriber base without improving its services.

It is also not providing compensation to

customers for dropped calls despite the BTRC's earlier instructions to do so.

The regulator said it enforced the ban in the face of numerous complaints from policymakers and general customers.

Meanwhile, listed multinational telecom company Robi disclosed yesterday that it has entered an agreement for a three-year term loan with Dutch Bangla Bank Limited for an amount of Tk 400 crore.

However, it did not pledge any asset as a security in relation to the loan agreement.

A top official of Robi confirmed that the fund would be utilised to expand its network.

Extra cash incentive planned

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Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, called for changing rules on the import of raw materials of non-cotton items apart from extending the cash incentive in order to make the shift to MMF.

The government has halved the value-added tax on the sales of MMF to Tk 3 per kg from Tk 6 and extended the 15 per cent corporate tax rate for the textile sector up to 2025 to help the sector grow.

Entrepreneurs have so far invested \$20 billion in the primary textile sector.

NBR extends VAT cut for edible oil

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to Tk 210 a week ago, according to data of prices collected by the state-run Trading Corporation of Bangladesh.

Prices of five-litre bottles of soybean oil and palm oil also declined.

On March 16 this year, the NBR slashed the VAT on edible oil imports to 5 per cent from 15 per cent to give some relief to consumers amid a public outcry against surging prices, slow delivery by mills, and stockpiling by a section of traders.

The benefit expired on June 30, 2022.

Earlier on March 14, the NBR removed both the 15 per cent VAT at production and 5 per cent VAT at the

trading stage for edible oil.

Taslim Shahriar, senior assistant general manager of Meghna Group of Industries, said the extension of reduced VAT benefit is a good initiative.

"The edible oil market here will be volatile," he said, adding that the cooking oil prices might decline domestically once consignments of soybean oil bought at reduced prices arrive by September.

But the devaluation of Bangladesh's taka against the dollar has increased import cost of edible oil, he said. Processors have to count additional cost up to Tk 20 per litre because

of the weakening of the taka over the last several months.

Trade deficit

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increased to \$75.40 billion, up 39 per cent year-on-year when exports grew 33 per cent to \$44.58 billion.

The higher trade deficit also sent the current account deficit to a record high of \$17.23 billion in the first 11 months of FY22 in contrast to a deficit of \$2.78 billion a year ago.

These also squeezed the foreign exchange reserves, which stood at \$41.86 billion as of June 29, down \$46.08 billion from a year ago.

The majority of the banks are now facing inadequate US dollars due to the high imports, which has consequently left an adverse impact on the exchange rate of the taka against the dollar. The exchange rate stood at Tk 93.45 each dollar yesterday compared to Tk 84.80 a year before.