

## National Bank to raise \$100m by issuing bonds

### STAR BUSINESS REPORT

National Bank Ltd has decided to raise \$100 million by issuing foreign currency-denominated subordinated bonds in order to strengthen its capital base under Basel III guidelines.

The board of the private commercial bank has taken a decision to this effect, according to a post on the Dhaka Stock Exchange yesterday. The term of the bond would be seven years.

Shares of NBL were unchanged at Tk 8.30 on the DSE yesterday.

## Hong Kong ranked again as freest economy

CHINA DAILY/ANN

The Hong Kong Special Administrative Region government on Thursday welcomed the Fraser Institute's recognition of the territory as the world's freest economy.

In its Economic Freedom of the World 2022 Annual Report, the institute said that Hong Kong continued to rank top in "Freedom to Trade Internationally" and "Regulation" among the five areas of assessment, according to a government statement issued on Thursday night.

"We have been striving to improve the business environment and enhance market efficiency and support, thereby allowing the economy to display flexibility and resilience and leverage the advantages of the free market," an HKSAR government spokesman was quoted as saying in the statement.

"Our commitment to maintaining an efficient, free, open and fair business environment is once again affirmed."

Hong Kong has gained the top rank since the inception in 1996 of the report, which measures economic freedom — the ability of individuals to make their own economic decisions — by analysing the policies and institutions of 165 countries and regions.

Indicators include regulation, freedom to trade internationally, size of government, sound legal system and property rights, and government spending and taxation.

On the institute's unfair comments about Hong Kong's rule of law, the implementation of the National Security Law and

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Workers at a buttermilk shop in the rail station area of Solop village under Ullapara upazila of Sirajganj are seen preparing bottles of their product for sale. The buttermilk drinks produced here, namely "ghol" and "matha", are well known across the country for their unique flavour.

PHOTO: AHMED HUMAYUN KABIR TOPU

## Solop buttermilk, a brand in and of itself

AHMED HUMAYUN KABIR TOPU,  
Sirajganj

People across Bangladesh have long been enjoying two traditional buttermilk products called "ghol" and "matha" thanks to their unique taste and texture and so, makers of these treats in Solop village under Ullapara upazila of Sirajganj never compromise on quality, helping them keep the inherited business alive for more than 100 years.

As such, "Soloper Ghol" has become a brand in and-of itself, turning the typical village into a renowned location for traditional deserts.

During a recent visit to Solop rail station, it was seen that dozens of shops in the area are selling the two buttermilk products.

To produce ghol, workers use heat the milk and use salt to separate the cream and whey before mixing in water and soda. To make matha, water and soda are left out of the process.

People of Solop village have known this method of producing ghol and matha since 1922, when local resident Md Sadek Ali introduced the drinks in the rail station area, which has now become synonymous with buttermilk.

Ali had gone to Rajshahi in search of work early in his life and it was there that he learned how to produce buttermilk, according to his grandson Md Abdul Malek.



"My grandfather then opened a small business in the rail station area with the help of family and later expanded to a shop beside the rail station itself," he said.

The business continued expanding rapidly after that with people from all over the upazila coming to taste his buttermilk products.

After that, many people started working as buttermilk makers for Ali but eventually went on to start their own businesses and now, there are more than 20 buttermilk shops in the rail station area.

"But our business has been going stronger for 100 years as we never compromise on quality," Malek said.

Aside from locals, people from all over Bangladesh come to Solop rail station for a taste of buttermilk products and other desert items, turning the once

quiet rural area into a bustling business hub.

Malek, who received a national award for his business, went on to say that he produces more than 20 maunds (one maund=37 kilograms) of buttermilk each day during the peak season centring Ramadan.

Buttermilk makers in the village collectively produce around 200 maunds of the product during the off-season but production reaches more than 500 to 800 maunds during Ramadan, earning them a total of Tk 15-20 crore annually.

The traditional buttermilk business has changed the socio-economic activities in the village with several hundred people being involved.

"There are many people who supply milk and wood while others are working in buttermilk factories. Besides, people from

across the country visit to take a taste of these deserts so many other businesses have popped up as well," Malek said.

Md Rajib Hossain, a resident of Shantahar municipality under Adamdighi upazila in Bogura, came to visit Solop village to fulfil his dream of enjoying the authentic traditional buttermilk.

"I came to know about the heritage of Solop earlier. Now, I have come for my job purpose but could not leave without a taste of Solop buttermilk," Hossain said, adding that he is taking some back home for his relatives.

Md Saddam Hossain, a buttermilk trader of Solop market, told The Daily Star that the demand for their product is increasing across the country as they never fail to assure quality.

"We don't extract the entire cream from milk as 50 per cent is left in our products to ensure that they taste different. We are keeping our inherited business but we need government support to expand our traditional food item across the country," he said.

Engineer Shawkat Hossain, chairman of Solop union, said if the government takes the initiative, local buttermilk products could become an officially branded product of the region.

"We organise a buttermilk festival every year for branding the traditional desert item across the country," he added.

## Russia in talks on instant money transfers to India, Turkey

REUTERS, Moscow

Russian bank Unistream, which specialises in money transfers, has seen a surge in remittances since Moscow began operations in Ukraine and plans to launch instant transfers to India, Turkey and countries in Africa, its board chairman told Reuters.

Unistream recorded a fivefold jump in money transfers from Russia in July, compared with a year earlier, after Western Union Co, the world's largest money transfer firm left Russia, Kairzhan Kudayarov said in an interview with Reuters.

The issue of access to money became acute for many Russians after Western Union Co left Russia or their cards issued by US payment card firms Visa Inc and Mastercard Inc stopped working outside Russia soon after Moscow sent tens of thousands of troops into Ukraine on February 24.

"Migration has also had an impact, as some Russian citizens have left the country, a significant part of them to neighbouring countries," Kudayarov said.

Scores of Russian citizens left the country after Feb. 24 for various reasons, including the fear of being recruited to the army or because their companies relocated amid unprecedented financial and economic sanctions that the West imposed to punish Moscow for its actions in Ukraine.

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A view of the container terminal of the far-eastern Russian port of Vladivostok on September 5. Russia is facing unprecedented financial and economic sanctions that the West imposed to punish it for its actions in Ukraine.

## What we do with our NBFI

MAMUN RASHID

Although our banking sector itself is lagging behind its neighbouring peers, the story of the non-banking financial institution (NBFI) sector is rather much more precarious.

If we consider the stories of India, Philippines or even Indonesia, NBFI continue to remain at the forefront in driving new investments, contributing to the economy by diversifying investments from lease financing to housing financing, merchant banking, venture capital and equity financing.

Despite recording reasonable growth, the NBFI market share in Bangladesh has been dominated by a few large players, while most others have struggled to scale up operations profitably. Moreover, the sector has recently taken a bad name with high rates of defaults, liquidity challenges and serious irregularities in several NBFI, specifically related to one large NBFI.

Although the problem seems isolated, it has concerned regulators due to the risk of contagion effect and overall governance in the sector. Given the sector is reasonably large now to impact the overall economy, this certainly entails some potential implications, including new compliance measures by the regulator, lending slowdowns, etc.

Some of the key challenges identified, in addition to regulatory oversight are lack of internal governance and deficiency in risk management, absence of long-term sources of liquidity, high rate of loan defaults, low capital and reserve due to regulatory requirement as well as low profitability and uneven competition with banks.

To get out of the clouds, it is imperative for NBFI to establish strong governance and risk management practices to restore stakeholder/investor confidence and reduce overall borrowing costs. To begin with, a quick disposal of the cases in the Artha Rin Adalat (Money Loan Court) and punishment for the defaulters, especially wilful ones, could start to reinstate the lost trust.

### Like in other peer countries, NBFI should continue to seek opportunities to enhance their revenues by developing new revenue streams

Investments in governance, risk and compliance (GRC) technologies integrated with enterprise resource planning (ERP) and analytics systems can offer a real-time view of organisational risks and alerts to senior stakeholders.

Additionally, the liquidity squeeze and perceived risk have led to an increase in the funding cost for NBFI, which in turn is putting pressure on the margins. In the current environment, NBFI need to focus on optimising costs to drive profitability where digitization and automation initiatives can be the biggest ally.

Reduction of cost cannot be at the price of compromising on the customer experience. Use of interactive voice recognition, chatbots and other self-service channels can enhance customer centricity while simultaneously helping businesses boost servicing agent productivity. By diverting simple queries (balance enquiries, payment status, account statements) to self-service channels, businesses can experience significant cost reductions, thereby improving the bottom line.

Like in other peer countries, NBFI should continue to seek opportunities to enhance their revenues by developing new revenue streams, enhancing sales from their existing revenue streams, and leveraging alliances and partnerships to target new customer bases. The ability and agility of NBFI to partner with e-commerce players, explore new market segments through asset diversification and leverage on digital to improve salesforce efficiency will determine the future of the industry.

The author is an economic analyst.

## India uncovers fraudulent shell firms with China links

REUTERS, Mumbai

Indian authorities on Sunday said they had arrested a man who had masterminded the creation of many shell companies linked to China and appointed dummy directors to run the fraudulent businesses.

The latest arrest was part of a larger probe launched by the federal government's Serious Fraud Investigation Office (SFIO) against founders of shell companies used to conduct illegal transactions.

Earlier this month the government began cracking down on Indian entities that were providing fake directors to some shell companies linked to China.

The SFIO said it had arrested a man called Dorte, who was on the board of Jillian India Ltd, a wholly owned subsidiary of Jillian Hong Kong Ltd, and had raided multiple places to unearth the scam.