

Robi incorporates Smart Pay

STAR BUSINESS REPORT

Robi, the second-largest mobile phone operator in Bangladesh, has incorporated a 100 per cent owned subsidiary company Smart Pay Limited.

The registered office of the company will be situated in Bangladesh, said the mobile phone operator in a filing on the website of the Dhaka Stock Exchange yesterday.

It will establish and run fintech-driven electronic payments and other related services for customers, it said.

Shares of Robi, which had about 5.5 crore mobile phone subscribers as of August this year, were unchanged at Tk 30 on the Dhaka bourse yesterday.



The Russia-Ukraine war has caused a decline in shrimp exports to the two nations while buyers in the EU and the US are offering lower prices in fears of recession.

PHOTO: STAR/FILE

Shrimp exports shrivel in Q1

Market players blame recession fears in EU, US

MD ASADUZ ZAMAN

Shrimp exports from Bangladesh fell in the first quarter of the current fiscal year due to weak demand in the EU and the US markets, which have been gripped by the fears of a coming recession amid the ongoing Russia-Ukraine war.

Considering the drop in export orders, overall export earnings from the sector may decline by up to 35 per cent by the end of fiscal 2022-23, according to industry operators.

Earnings from shrimp exports in the first quarter (July-September) stood at \$100.10 million, down 18 per cent from \$122.73 million during the same period in fiscal 2020-21, shows data from the Export Promotion Bureau (EPB).

And although earnings from shrimp exports grew 24 per cent year-on-year to \$407 million in the last fiscal, the sector's current performance presents a bleak picture.

"Total earnings from shrimp exports may drop by 30-35 per cent by the end of this fiscal year," said Md Amin Ullah, president of the Bangladesh

Frozen Foods Exporters Association (BFFEA).

The Russia-Ukraine war has caused a decline in shipments to the two nations while buyers in the EU and the US are offering lower prices in fears of a coming recession.

"Whereas we would previously get \$2 lakh for shipping a single container to the EU, we are now getting \$1.5 lakh for the same volume," he added.

Ullah then said the reduced demand comes down to the fact that people in the EU are unwilling to purchase luxury items such as shrimp considering the recent economic shocks.

S Humayun Kabir, chairman of Amam Sea Food Industry Ltd, said although the sector's performance in the first quarter of this fiscal year shows that earnings from shrimp exports have fallen by 18 per cent, overall exports have actually declined by at least 30 per cent.

He then reasoned that fluctuations in the US dollar exchange rate have given them a bit of relief as exporters are benefitting from the high dollar price against Bangladeshi taka.

About getting lower orders, he

said the whole of Europe is now witnessing a silent financial crisis that has greatly contributed to the fall in export orders.

Besides, importers are offering at least 25-30 per cent lower prices compared to last year, he added.

are piling up at almost every processing factory," said Kabir, who is also vice-president of the BFFEA.

The volume of shrimp being exported from Khulna, a major producing region, declined by about 16 per cent to 7,027

"It is a very bad situation as prices are falling fast while sales are down," he said.

A kilogramme of headless black tiger shrimp is now selling for \$12 while it was \$14 as recently as three months ago.

According to Das, the demand for shrimp in the EU has declined by more than 40 per cent.

"As our black tiger shrimp is usually consumed as a luxury food in restaurants and hotels, EU importers are pushing back their shipment orders in fear of a recession," he said.

"In this situation, we are falling behind the competition with vannamei shrimp, which is shipped at lower prices from countries like Vietnam and China," Das added.

Each kilogramme of vannamei shrimp is currently being sold for \$2-2.5 less than the same amount of black tiger shrimp in international markets.

The sector ensures the livelihood of more than 8 lakh farmers, who collectively cultivate shrimp on 2.63 lakh hectares of land in coastal areas of the country's southwest region, according to the Department of Fisheries.



Kabir went on to say that local shrimp farmers are failing to secure adequate returns due to the low prices being offered in foreign markets, which will discourage them from continuing the business.

"The situation is so dire that many buyers are renegotiating the prices of previously placed orders and as such, stocks

tonnes in the July-September period of the ongoing fiscal year, according to the BFFEA.

Shyamal Das, managing director of MU Sea Food Ltd, said the demand for locally produced shrimp is declining abroad for its higher price compared to the cheaper vannamei or whiteleg varieties produced elsewhere.

IFC wants to issue \$4b bond Privacy concerns plague

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It will also support the government's efforts to develop and grow the domestic capital market in Bangladesh.

BSEC Chairman Prof Shibli Rubayat-ul-Islam agreed that the bond would give new impetus to the development of the country's bond market.

The BSEC is trying to make the bond market vibrant as the market can give a good source of funds to entrepreneurs, he said.

It has already made treasury bills and bonds tradable on the stock exchanges with the help of Bangladesh Bank and the National Board of Revenue.

There are about 270 treasury bonds worth more than Tk 2.5 lakh

crore and with tenures ranging from two years to 20 years, showed data from Bangladesh Bank.

Of them, 222 were listed on Dhaka Stock Exchange (DSE) as of August, with a combined value of Tk 59,359 crore.

But they were not traded like shares and mutual fund units, which require availing a beneficiary owner's account first.

Rather they could be bought and sold straight over the counter, much like savings certificates.

"The IFC wants to issue bonds worth \$4 billion and the IFC is not alone. Asian Development Bank (ADB) also wants to issue bonds in the Bangladesh stock market. It would be better for our stock market," added Islam.

Prices of most commodities

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cent increase in grains was balanced by a 3.8 per cent fall in edible oils, the WB said. Beverage and raw material prices declined 0.5 per cent and 4.8 per cent, respectively.

Fertiliser prices gained 6 per cent, a blow for the nations that rely on the international markets to secure farm inputs as the risk of a major food crisis in the world grows.

A report, produced by the World Food Programme and the Food and Agriculture Organisation of the United Nations, recently said the

world faces its largest food crisis in modern history, with conflict, climate shocks and the threat of global recession putting millions at risk.

The gauge for world food commodity prices, however, declined for the sixth month in a row in September, with sharp drops in the quotations for vegetable oils more than offsetting higher cereal prices, said the FAO earlier this month.

Metal prices dropped 5.7 per cent last month with declines across the board, except nickel. Precious metals declined 4.6 per cent, the World Bank added.

potato, onion, mango and tomato.

He said there is still no technology in the country to store vegetables, including onions, mangoes and tomatoes. In addition, 25-40 per cent of these products are wasted in the post-collection stage, he added.

Highlighting the details of investment infrastructure and government facilities in Bangladesh, the minister said there is a conducive environment for investment in the country.

"So, come forward to invest," he added.

Farm sector needs Tk 15,000cr

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processing and marketing, climate-smart agriculture, and irrigation and water management, which will need Tk 15,000 crore in the next five years, he said.

These sectors have high potential and will be profitable places for investment in Bangladesh's agriculture, he added.

Razzaque also sought immediate investment for the establishment of cold storages, post-harvest management, processing and marketing for four products, namely

Privacy concerns plague

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Some 74 per cent of Bangladeshi respondents believe that digital access is very beneficial in leading a greener life.

Another 69 per cent of Bangladeshi respondents believe that the greatest benefits come in the areas of reducing paper use and waste while 74 per cent said they were being able to communicate more efficiently.

The study has also pointed out the greater potential of mobile usage.

Respondents believe that mobile connectivity can play a significant role in promoting inclusion – with mobile connectivity ensuring greater access to essential services such as education (64 per cent) and healthcare services (55 per cent) for people.

Interestingly, the study also found that more women than men find that mobile connectivity has enhanced their options for working and generating income as well as helping

them achieve greater efficiency and productivity.

"Compared to before the pandemic, mobile data usage has more than doubled in most Asian markets, reshaping how we communicate at work and home. This study also revealed where digital gaps remain," said Rostrup.

"The need to understand these gaps is becoming more important to policymakers, businesses, and individuals alike. Insights from this study can thus act as a map of where to bridge the widest digital divides," he said.

Yasir Azman, CEO of Grameenphone, said he was glad to see that their efforts were paying off as connectivity has been instrumental in ensuring equal opportunities for all.

"We hope the ongoing digitalisation and innovation leads to a sustainable and better tomorrow," he said.

9 sectors hold

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Credit card users were responsible for 7.77 per cent of the credit extended by banks going sour. Credit card loans totalled Tk 7,078 crore.

A BB official says that many credit card holders are struggling to survive amid the cost-of-living crisis, driven by higher consumer prices.

Like in most countries, inflation has been rising for months in Bangladesh for a record surge in import bills, piling up pressures on consumers.

"The existing economic stress has seen the living standard deteriorate. And many cardholders are unable to repay loans on time," said the central banker.

Some non-bank financial institutions have also failed to repay loans to banks.

Some 7.39 per cent of the total loans of Tk 7,297 crore given by banks to NBFLs have turned into bad debts.

A good number of NBFLs have faced a wide range of scams in recent years

and their loans to borrowers have turned into NPLs. So, their strength to repay depositors, which include banks, has eroded significantly.

Another major reason behind the concentration of default loans in the nine sectors is the tendency among many lenders to breach rules while disbursing credits.

Of the Tk 12,18,850 crore loans in the entire banking sector, the overall ratio of default loans stood at 8.36 per cent in December.

Tamijuddin Textile's

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up on the back of an increased collection from customers and a significant decrease in receivables compared to 2020-21, said Tamijuddin Textile.

The board of directors has recommended a 30 per cent cash dividend for 2021-22. Shares of Tamijuddin Textile closed 1.19 per cent higher on the DSE yesterday.

BGMEA seeks cooperation to remain competitive in UK

STAR BUSINESS REPORT

Local garment makers yesterday sought cooperation from Britain to maintain competitiveness for apparel shipment to the UK markets after Bangladesh's graduation to a developing nation in 2026.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), made the call in a meeting with Robert Chatterton Dickson, British

high commissioner to Bangladesh, at the BGMEA office in Dhaka.

They discussed various trade related issues, including the present situation in the UK market, possible ways to increase apparel export to the kingdom, challenges of the industry and the areas where the sector is focusing on to remain competitive in the long run, BGMEA said in a statement.

Other BGMEA leaders were also present at the meeting.

Institute of Capital Market halves master's course fee

STAR BUSINESS REPORT

Bangladesh Institute of Capital Market (BICM) halved the fee of its 'master of applied finance and capital market' course in a bid to attract more people to gain financial literacy.

The BICM announced the fee cut in a press briefing at its office in the capital yesterday.

The national institute run by Bangladesh Securities and Exchange Commission train and educate people on stock market.

The master of applied finance and capital market course includes 52 credit and fee of each credit was Tk 4,000, which will be Tk 2,000 after the cut.

The total course fee, including other related cost, will be now Tk 140,000, down from earlier Tk 250,000.

The duration of the programme is two years where there will be four semesters, each of six months.

The course will help in creating efficient manpower for the stock market, which will be a big source of financing in the days to come, said BICM Executive President Prof Mahmuda Akter.

107 tonnes of fabrics seized over 'bond facility misuse'

STAFF CORRESPONDENT, Ctg

The Customs Intelligence and Investigation Directorate (CIID) seized 107 tonnes of fabrics from a Chattogram warehouse on the charge that those were attempted to be sold in the open market violating bonded warehouse facilities.

The bonded warehouse privilege enables zero-duty import of materials, albeit only for the production of goods that have to be exported.

According to a CIID source, Savar-based wholly export-oriented Chinese company Goldtex Garments imported the fabrics worth Tk 5.10 crore through the Chattogram port using the bond facility at the beginning of this month.

The goods were found to have been stored in a Halishahar warehouse instead of the designated bonded warehouse in Savar, added the source.

"They were kept in a warehouse in Chattogram and were being sold in the open market for a long time," Mohammad Fakhru Alam, director general of the CIID, told The Daily Star.

The company would have had to pay at least Tk 2.88 crore in duties if the fabrics had been brought for sale in the open market, he added.

Some unscrupulous exporters and clearing and forwarding (C&F) agents are engaged in the malpractice, said Md Bashir Ahmed, additional director general of the CIID's Chattogram office.

"We conducted a detailed investigation of the company's import and export data to identify the real scenario of duty dodging. We may file a money laundering case," he said. The goods were processed through the port by C&F agent Speedway Logistics on behalf of the importer.

Its proprietor, Khusrul Alam Akon, said, "We don't know anything about this yet. I can tell you later after knowing about this."

JMI Syringes posts higher profit in 2021-22

STAR BUSINESS REPORT

JMI Syringes & Medical Devices Ltd's profit grew nearly 13 per cent year-on-year in the last financial year.

The manufacturer of precision safety syringes and medical devices clocked a profit of Tk 10 crore in 2021-22, against Tk 8.9 crore in the previous year.

Thus, the company reported earnings per share of Tk 4.55 for the year that ended on June 30, which was Tk 4.03 a year earlier.

Net asset value per share rose to Tk 124.25 from Tk 122.70 during the 12-month period.

Net operating cash flow per share, however, slipped to 1.85 against Tk 8.38 earlier.

The board of directors of JMI Syringes has recommended a 36 per cent stock dividend for 2021-22, according to a filing on the Dhaka Stock Exchange yesterday.

Shares of the company surged 10.98 per cent on the DSE yesterday.

A joint venture with an enterprise of South Korea, JMI exports its products to Singapore, Thailand, Myanmar, Spain, and Portugal, according to its website.

high commissioner to Bangladesh, at the BGMEA office in Dhaka.

They discussed various trade related issues, including the present situation in the UK market, possible ways to increase apparel export to the kingdom, challenges of the industry and the areas where the sector is focusing on to remain competitive in the long run, BGMEA said in a statement.

Other BGMEA leaders were also present at the meeting.

The global economy, including Bangladesh, is going through a bad time because of the Covid-19 pandemic and the Ukraine war, so the government wants to reduce the costs for financial literacy and training, she said.

The BICM will allot funds for research on the capital market, Akter said.

Peninsula Chittagong's profit sees sharp decline

STAR BUSINESS REPORT

The Peninsula Chittagong Limited's profit declined significantly in the last financial year that ended on June 30.

The company reported earnings per share of Tk 0.19 in 2021-22, down from Tk 0.41 a year earlier.

The board of directors has recommended a 2.50 per cent cash dividend for 2021-22.