

## Tamijuddin Textile's profit jumps 222pc

STAR BUSINESS REPORT

Tamijuddin Textile Mills Limited clocked 220 per cent higher profit in the last financial year.

The textile manufacturer made a profit of Tk 19.87 crore in 2021-22, which was Tk 6.16 crore a year earlier.

The company reported earnings per share of Tk 6.61 for the year that ended on June 30, which was Tk 2.05 a year earlier.

"The EPS increased owing to the higher rates of yarn as well as the increase in sales volume compared to the previous year," said the company in a filing on the Dhaka Stock Exchange (DSE) yesterday.

Net asset value per share increased to Tk 87.02 in 2021-22 compared to Tk 82.30 in 2020-21.

Net operating cash flow per share surged to Tk 10.26 from Tk 4.03 during the 12-month period.

The NOCFPS has gone

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With dilapidated roads covered in weeds growing every which way, industries at the BSCIC industrial estate in Sylhet's Gotatikor continue to suffer from poor infrastructure and a lack of other facilities. Here, garbage is seen being burnt out in the open on a road alongside some production units.

PHOTO: SHEIKH NASIR

### BSCIC ESTATES IN SYLHET

# Factories weighed down by weak infrastructure

DWOHA CHOWDHURY

Some 132 small and cottage industrial units inside two estates of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Sylhet have long been suffering due to the poor infrastructure and other facilities available to them.

Owners of the affected industries have been reporting their grievances to the estate authorities and related government offices for decades now, yet the problems persist.

The two BSCIC industrial estates in Sylhet are located at the Gotatikor and Khadimnagar areas on the outskirts of Sylhet city.

During a recent visit to the Gotatikor estate, this correspondent found that the key problem for industries present is that the estate's drainage system is almost completely clogged.

As a result, many low-lying areas become waterlogged during heavy rain, according to the managers and other officials of several factories inside the estate.

Meanwhile, the Khadimnagar estate is plagued by damaged and muddy roads that become submerged when it rains, as witnessed by this correspondent.

Alimul Ahsan Chowdhury, managing director of Alim Industries Limited, said other than poor infrastructure and waterlogging, industries at the estates are being deprived of certain benefits owed to them.

For example, Jalalabad Gas Transmission and Distribution System Limited, a state-owned gas distribution company in Sylhet, is charging the industrial rate for gas connections even



#### INDUSTRIAL ESTATE IN GOTATIKOR

Area: 27.75 acres

Plots: 119

Industrial units: 74

Operational: 66

Closed: 4

Inactive: 4

#### INDUSTRIAL ESTATE IN KHADIMNAGAR

Area: 24.89 acres

Plots: 134

Industrial units: 72

Operational: 66

Closed: 6

though a reduced rate for small and cottage industries is in effect.

"Similarly, the Power Development Board is charging the commercial rate for electricity without providing the promised rebate," said Chowdhury, who is also president of the Sylhet chapter of the National Association of Small and Cottage Industries of Bangladesh.

"Besides, the ongoing load-shedding is causing difficulties in production," he added.

The managing director of Alim Industries, a leading agricultural machinery manufacturer in Bangladesh, went on to say that certain laws, especially those related to tax, are troubling industrialists.

The BSCIC, Department of Inspection for Factories and Establishments, Fire Service and Civil Defence, and Department of Environment have separate rules for establishing a factory.

"As a result, investors at times face harassment by a few unethical officials," he said.

Chowdhury then suggested a broader government development initiative for small and cottage industries at the BSCIC industrial estates.

The BSCIC had initiated the One-Stop Service back in July 2021 to ease new investments and facilitate smooth business operations inside its industrial estates. However, the service in Sylhet seems ineffective as no concerned government offices have agreed to be a part of it yet.

Tahmin Ahmed, president of the Sylhet Chamber of Commerce and Industry (SCCI), sent a letter to the Prime Minister on September 6 earlier this year, demanding a reduction in the 15 per cent VAT imposed on industries at BSCIC estates in Sylhet even though the law says

it should be 4 per cent.

He also demanded a new industrial estate in the region considering the high demand from existing industries as well as potential investors.

Likewise, the BSCIC has been planning to establish a new industrial estate in Sylhet for years now.

After selecting 165 acres of land on September 14, 2020, the BSCIC forwarded a memorandum to the additional deputy commissioner of revenue of Sylhet for further processing.

M Suhel Hawladar, acting deputy general manager of the BSCIC office in Sylhet, said they are pushing the matter with higher authorities but the establishment of a new estate is still stalled on the decision over land.

Regarding the poor infrastructure of existing estates, he said the BSCIC is implementing a Tk 10 crore project at Khadimnagar, where new drainage systems and roads will be constructed.

Another Tk 1.3 crore has been proposed for upgrading the Gotatikor estate while an express power connection for industrial estates is being planned, Hawladar added.

He then said many industries at BSCIC estates are not complying with certain regulations as they do not clear their VAT and other taxes accordingly.

"40 per cent of the industries at estates are of the food industry, and most investors are from outside Sylhet as locals are not keen on industrial investment. Still, we are offering entrepreneurship development training to youths and arranging start-up loans from Karmasangsthan Bank to change the scenario," he added.

## Towards a cashless economy driven by contactless payments

SOUMYA BASU

Bangladesh has been marching forward very fast, riding on its robust economic growth which is expected to be 6.9 per cent in FY22 and 7.1 per cent in 2023. Among other initiatives, this growth has been due to the far-sighted vision of the government's "Digital Bangladesh" initiative. Digital transformation and the resulting innovations have spurred growth in different sectors, opening new horizons to be explored.

The financial (both banking and non-banking) sector also needs to embrace this digital revolution to inspire people to move towards a more organised digitised society, where transactions can become easier, safer and more convenient.

One such innovation being embraced across the world is contactless payments, which play an instrumental role in developing a cashless society like the one Bangladesh is aspiring for and bringing with it a myriad of benefits and possibilities.

If more people are encouraged to adopt contactless payments and digital transactions, it will have exponential impact. The "National Digital

Payments Roadmap 2022-2025" states

that digital payments could boost Bangladesh's annual gross domestic product (GDP) by 1.7 per cent, adding \$6.2 billion to the economy each year.

Dependence on cash

is fraught with issues.

According to the study/

report titled "Reducing

the Cash Transactions" in

2019 by Bangladesh Bank,

the country has to spend Tk

9,000 crore annually because

of cash dependence and requires

0.50 per cent of the country's GDP for the

maintenance (cost) of printed money. Apart from

the cost of handling cash itself, there are inherent

problems of change, theft and hygiene to deal with.

Owing to these inconveniences, contactless

payments are gaining momentum globally with

many macro-economic benefits as well. For

customers, contactless payments significantly

reduce the time needed to complete an in-store

payment, resulting in faster checkout. Post-

pandemic, the risk of handling cash and potential

infections while transacting is also eliminated as a

contactless card remains in one's hand.

Paying cash or dipping/swiping a card requires

more time and numerous steps, including

handing it over to the seller, swiping it through

point-of-sale (POS) machines and keying in a

password or collecting change, vis-à-vis simply

tapping the contactless card and completing the

payment process within a few seconds.

As it follows EMVCo security standards, tapping

to pay is more reliable, secure and traceable than

many other forms of payment.

Like other countries, contactless payments

are gaining currency in Bangladesh, especially

on the back of the recent regulations allowing

contactless payments on debit cards. Several

financial institutions are encouraging their

customers to adopt contactless payment

methods, with over half a dozen banks rolling out

contactless cards. At the moment, there are about

4.5 lakh contactless credit cards in circulation in

the country and around 42,000 POS terminals

can accept contactless payments.

According to the same report of Bangladesh

Bank mentioned earlier, today only 6 per cent

of total transactions are handled electronically.

This requires the ecosystem to come up with

initiatives to inspire people, businesses, banking

and non-banking financial institutions to opt for

contactless payments and help develop a cashless

society in the near future.

It is heartening to see that Bangladesh is already

embracing contactless payments. With enabling

regulations and rising adoption by consumers and

merchants, the growth of contactless payments

and subsequently a less-cash society is going to be

realised soon.

The author is country manager for Bangladesh, Nepal and Bhutan at VISA Inc.

## Farm sector needs Tk 15,000cr in five years

Razzaque says about Bangladesh at FAO's Investment Forum in Rome

STAR BUSINESS REPORT

Agriculture Minister Muhammad Abdur Razzaque yesterday urged developed countries, international banks, donor agencies and private entrepreneurs to invest in Bangladesh's agriculture sector, which will need Tk 15,000 crore in the next five years.

The money will be needed to make agricultural production sustainable and transform the sector, he said.

The minister was speaking at the opening ceremony of the "Investment Forum" of the World Food Forum of the Food and Agriculture Organization (FAO) in Italy.

The FAO organised the two-day conference to increase investment in the transformation of the agricultural sector.

Some 20 countries are taking part in the event, where Razzaque highlighted the investment plans, needs and possibilities of Bangladesh's agriculture sector.

The minister said Bangladesh has achieved unprecedented success in agricultural production under the present government led by Prime Minister Sheikh Hasina.

But the country is still lagging behind in agricultural processing and export of agricultural products, in which there is a lot of potential, the minister said.

The government gives priority to four sectors: cold storage installation and post-harvest management, agro-

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Bangladesh will need a huge amount of funds in the next five years to make agricultural production sustainable and transform the sector, according to Agriculture Minister Muhammad Abdur Razzaque.

PHOTO: MOSTAFA SHABUI

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## Western Marine Shipyard's profit declines

STAR BUSINESS REPORT

Western Marine Shipyard Limited's profit declined in the July-September quarter of 2021 compared to a year ago.

The ship manufacturer and exporter made a profit of Tk 47 lakh in the quarter last year, down 32.85 per cent from Tk 70 lakh during the identical period in 2020.

Thus, earnings per share were Tk 0.02 in the quarter from Tk 0.03 earlier, according to the unaudited financial statements.

Net operating cash flow per share was Tk 0.17 in July-September of 2021, down from Tk 0.20 in the first quarter of 2020.

Net asset value per share was Tk 22.65 on September 30, 2021, and Tk 23.40 on June 30, 2021.

Shares of Western Marine Shipyard were unchanged at Tk 11 on the