

edotco to support 5G rollout in Bangladesh: CEO

STAR BUSINESS REPORT

Telecommunication infrastructure services provider edotco is prepared to support the 5G rollout in Bangladesh, said its group CEO, Mohamed Adlan Ahmad Tajudin.

"With the impending 5G network on the horizon, we will continue to play our role to support the industry and the government with our expertise, knowledge and learnings we gained from other countries to help speed up the rollout," he said.

He was speaking at a knowledge-sharing and question-and-answer session with the Telecom and Technology Reporters' Network Bangladesh (TRNB) at a hotel in Dhaka yesterday.

TRNB President Rashed Mehedi said collaboration among the industry, policymakers and other stakeholders, including journalists, needed to overcome the challenges of the 4th industrial revolution and tap opportunities created by the latest technologies and innovation.

TRNB General Secretary Masuduzzaman Robin was present.



Women from low-income families waiting to buy rice and flour at subsidised rates from the government's food department at a district town. Experts have urged the authorities concerned to overhaul social safety net programmes in the country so that marginalised people from both rural and urban areas get equal opportunities.

PHOTO: STAR/FILE

Expand safety net coverage for urban poor

Experts say at seminar

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The government should expand its social safety net programmes in urban areas, where the coverage is extremely insufficient compared to that of rural areas, according to experts.

"Some 33 per cent of the marginalised in rural areas are covered by social safety net programmes while only 9 per cent of poor people in urban areas enjoy the same," said Dr Asif Shahan, an associate professor of development studies at the University of Dhaka.

Shahan was speaking at a seminar on "Price Hike, Access to Social Protection and Food Security", held yesterday at the Cirdap International Conference Centre in Dhaka.

Right to Food Bangladesh, a rights body that aims to ensure food security, organised the event in association with the Wave Foundation and Asia Foundation.

Shahan urged the authorities concerned to overhaul social safety net programmes in the country so that marginal people from both rural and

urban areas get equal opportunities.

The associate professor then said the coronavirus pandemic widened the gap between urban and rural poor in regards to safety net coverage.

With this backdrop, he asked the government to design an effective social protection strategy for the urban poor to help offset the effects of Covid-19.

"Although there is some responsiveness to the needs of the poor in normal situations, the country still lags behind in responding to unforeseen shocks," Shahan said.

He went on to say that along with increasing allocations, the process of availing such programmes has to be simplified.

Besides, most of the urban poor are out of social security programmes as they do not have National Identification Cards, which are required to get the facilities.

"Digitisation of the beneficiary selection process should continue but it would require digital literacy on part of the poor," he said.

Dr Nazneen Ahmed, country

economist of the UN Development Programme (UNDP) in Bangladesh, said infrastructural development in slum areas for rural poor is important, but in this case, there are multi-faceted challenges in taking such initiatives.

"In order to eliminate urban poverty, the government as well as non-government organisations and other concerned parties should provide extensive employment in rural areas," she added.

Ahmed then said the authorities concerned should pay special attention for increasing income as raising the people's purchasing capacity would help solve many problems.

The economist urged the government to go for an extensive drive to ensure high tax coverage and form a special fund for poor people.

"To ensure food security, unnecessary demand should be cut by changing food habits in our daily life," Ahmed said citing the 12th Sustainable Development Goal, namely "ensure sustainable consumption and production patterns".

Mohammad Khaled Hasan, joint secretary of the Cabinet Division, said that as per data of the Global Hunger Index, Bangladesh is actually at great risk of a food crisis at present.

"But our overall position is comparatively better than that of many other countries, which has been made possible because of our social security programmes," he added.

For example, the government provides assistance to farmers, proving that it is very much trying to deal with any kind of disaster.

"Also, the government provided Tk 2,500 each to 50 lakh people through mobile financial services during the coronavirus pandemic," Hasan said.

Mohammad Asaduzzaman Sarker, deputy secretary of the general economics division of the Planning Commission, and Kazi Faisal Bin Seraj, country representative of The Asia Foundation, also spoke at the event.

The seminar was conducted by Kaniz Fatema, coordinator of Right to Food Bangladesh.

Singer's profits fall despite sales growth

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Although Singer Bangladesh logged higher sales between July and September this year, the company still incurred losses in the quarter, according to a press release.

Sales of the multinational electronic and home appliance company were 12.8 per cent higher at Tk 520 crore in the July-September quarter compared to the same period of the previous year.

However, Singer's profit decreased from Tk 59.5 crore to Tk 14.6 crore at the same time with its earnings per share decreasing from Tk 5.97 to Tk 1.46 as a result.

The profit dropped because of losses in the July-September period, when the company's earnings per share stood Tk 0.85 in the negative.

Singer's profits decreased as it has lost a 5.1 percentage point gross margin compared to the same quarter of last year mainly due to significant cost increases that could not be adjusted with the sales price, the company said.

The sales price was not raised due to market sensitivity, both from the consumer and competitors' end, it added.

Expenses were also higher in the period compared to last year, mainly for the utilisation of borrowing at a higher level and with higher interest rates as well.

Singer continued to focus on managing operating expenses, which slid down to 17.5 per cent of its revenue in the third quarter while it was 19.3 per cent at the same time last year.

Negative profit in the third quarter resulted in the company's strategy to remain competitive in the market because of sensitivity both from the consumers and competitors end. The company's stocks listed with the Dhaka Stock Exchange remained unchanged yesterday at Tk 151.9.

Jamuna Bank reappoints MD

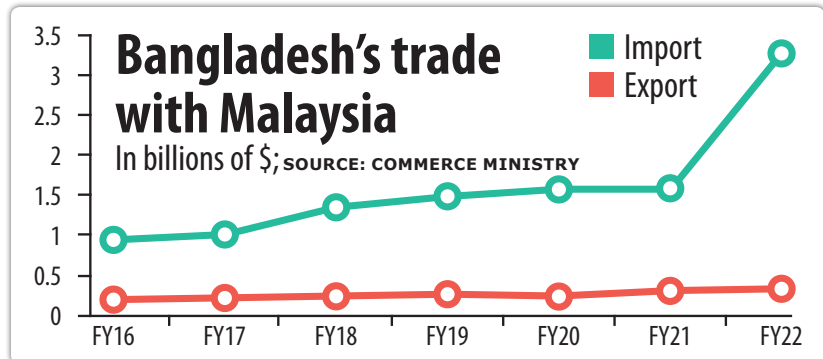
STAR BUSINESS DESK

Jamuna Bank has reappointed its managing director and CEO for a five-year term, effective from today.

Mirza Elias Uddin Ahmed had first taken charge on October 21, 2019, says a press release.

Attaining a master's in management from the University of Dhaka, he started his banking career in 1985 with National Bank and has since worked for Prime Bank, Mercantile Bank and Jamuna Bank.

Elias has experience in risk management, treasury, foreign exchange and credit business. He also served as the chairman of Jamuna Bank Capital Management Limited. He is the founder general secretary of Bangladesh Money Market Dealers Association.



Govt looks to cut trade gap

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the high commissioner of Malaysia to Bangladesh, at the minister's secretariat office in Dhaka yesterday.

As Bangladesh imports vegetable fat and palm oil in bulk from Malaysia, the balance of trade between the two countries is heavily tilted towards the latter, he added.

Bangladesh imported goods worth \$3.28 billion from Malaysia in fiscal 2021-22 while exporting goods worth \$337.81 million at the same time, according to data from the commerce ministry.

In fiscal 2020-21, the value of Bangladesh's imports from Malaysia stood at \$1.57 billion while exports totalled \$306.57 million, the data shows.

Apart from vegetable fat and palm oil, Bangladesh imports petroleum

products, vegetable products, prepared foodstuffs, wood and articles of wood, and chemicals from Malaysia.

On the other hand, Bangladesh exports mainly garment items, jute yarn and twine, raw jute, leather and footwear, shrimp and engineering products to the island nation.

Hashim said the popularity of Malaysian cars has been gaining worldwide but Bangladesh cannot import them in large volumes due to the country's high tariff on motor vehicles.

With this backdrop, the high commissioner demanded a reduction in the import duty levied on cars from Malaysia.

She also said that there is ample opportunity to increase bilateral trade, which is something Malaysia wants to do.

Tea production hits record

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traders and workers along with various government initiatives.

Tea production has expanded in Bangladesh over the past decade.

About 96.51 million kgs were produced in 2021, up by some 54 per cent from that in 2012, shows the BTB data.

This is the highest amount produced in a year in the 167-year history of the region's commercial tea cultivation.

In the first nine months of 2022,

63.83 million kgs were produced in the country's 167 gardens.

Omar Hannan, chairman of the Tea Traders Association of Bangladesh, said local consumption rises by 6 per cent to 7 per cent every year.

In Bangladesh, 45 per cent of the tea produced is consumed at the household level while the rest at tea stalls, restaurants, and offices, according to industry insiders.

Local tea brands dominate the domestic market with a 75 per cent

World cups fuel demand

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According to industry people, general customers are yet to move to bring in any new TV set to their drawing room although the 2022 ICC Men's T20 World Cup has started, while the Fifa World Cup is just a month away. So, the festive mood among TV manufacturers and retailers is not visible yet.

Still, manufacturers and distributors of TV companies such as Samsung, Sony, LG, Singer, Toshiba, Walton, Vision, Transtec, Jamuna, Sharp, Konka, and Minister have launched several new models of big-screen TVs to entice sports lovers.

They have also introduced various offers, including cash incentives, equated monthly instalment (EMI) facilities and exchange offers.

Transcom Digital, which retails Samsung and Transtec-branded TV at its outlets aiming to cater to the middle class to higher income people, is offering six to 36 months of EMI facilities to attract customers with credit cards from 34 banks and non-bank financial institutions.

Recently, it started selling Sony televisions as well as those of ROWA, a TV brand in China.

Samsung Electronics Bangladesh plans to introduce some special gifts and cash discounts throughout the Fifa World Cup.

Walton is going to release some new models of the high-end premium

series and looks to unveil special offers centring the world cups.

Esquire Electronics, the sole local distributor of Japanese electronic brands General and Sharp, has introduced promotional offers for the two events.

"TV sales are almost the same as in normal times," said Md Manzurul Karim, general manager of the company.

"We normally sell five sets a day whereas, during world cups, it goes up to 11 to 12 units. But sales are poor this time."

The demand for TVs with sizes from 32 inches to 43 inches is yet to pick up as the middle class is cautious when it comes to spending owing to economic uncertainty, caused by the Russia-Ukraine war.

The middle-income groups have been forced to put their purchases of luxury items largely on hold as their incomes have eroded by the persistently higher inflation and the ongoing macroeconomic uncertainty.

Consumer prices have been rising since the beginning of the war on February 24. Inflation in Bangladesh surged to a multi-year high of 9.5 per cent in August and 9.1 per cent in September, forcing the people to tighten their belts as the war shows no sign of coming to an end.

Industry people claim that 52 per cent of the country's television market is controlled by local manufacturers, with Walton topping the list with more than 25 per cent stake.

Singer holds a 9 per cent share, Minister 4 per cent, Vision 3 per cent, and Jamuna 2 per cent.

The rest 48 per cent of the market is controlled by foreign companies such as Samsung, Sony, LG, Sharp, Toshiba, and Xiaomi.

Although there is no credible data on the TV market, industry insiders have put the annual demand at around 27 lakh, worth Tk 10,000 crore, or \$1 billion. It was \$636 million in 2020.

Retailers expect the annual sales to cross 30 lakh units thanks to the Football World Cup.

Ficci vows to help improve investment climate

STAR BUSINESS REPORT

The Foreign Investors' Chamber of Commerce and Industry (Ficci) yesterday committed to promoting investment in Bangladesh and sought support from the Bangladesh Investment Development Authority (Bida) to this end.

Ficci President Naser Ezaz Bijoy provided this assurance during a meeting with Bida Executive Chairman Lokman Hossain Miah at the latter's office in Dhaka, according to a statement from the country's apex trade body of foreign investors.

"Ficci's resilient efforts to improve the investment climate in Bangladesh is always appreciated by Bida and it allows members to conduct business with ease by reshaping the economy," said Bijoy, also chief executive officer of Standard Chartered Bank

Bangladesh.

As a key partner of Bida, Ficci has embraced several actions that express some core priorities and aims to continue engaging in bringing fourth purposeful change by working more closely with the government, the statement said.

During the meeting, Miah told the Ficci delegation that there is a lot of scope to work together in building a more investment friendly economy.

The Ficci delegation expressed their interest to work hand in hand with Bida as it had in previous years. They also appreciated that Bida holds its relationship with Ficci even during times of crisis such as the Covid-19 pandemic.

"It was overall a very engaging meeting that may lead to various future collaborative activities between Ficci and Bida in different investment sectors of Bangladesh," Miah said.

Rising living cost

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For example, it said, the price of a piece of bread weighing 500 grammes is higher in Dhaka than in Sri Lanka, Pakistan, India and Nepal.

"The current inflation figure is not painting the real scenario of people's plight," said Fahmida.

Towfiqul Islam Khan, a senior research fellow of the CPD, said

Bangladesh could have been in a better position if the government had undertaken reforms.

"As the reforms did not take place, the tax-to-GDP ratio is still low in the country."

"If the ratio goes up, the fiscal space of the government will widen. Then, the government will be able to support the poor."

Forex reserves below \$36b

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The depreciation of the taka has already reduced the number of letters of credit (LCs) being opened, which will have a positive impact in curbing the depletion of foreign exchange reserves in the coming days.

The number of LCs opened amounted to \$12.4 billion in the first two months of the ongoing fiscal year

in contrast to \$12.3 billion in fiscal 2021-22.

At a press briefing yesterday, the Centre for Policy Dialogue said the central bank should prevent the forex reserve from falling further, "particularly in view of the recent debate regarding the estimation methodology and pursue a floating exchange rate policy".