

Star BUSINESS

Ctg to be even bigger industrial hub Japanese envoy says

STAFF CORRESPONDENT, Ctg

Chattogram will become an even bigger industrial hub after the completion of ongoing projects including the Matarbari port, Chattogram-Cox's Bazar highway and power plants, said ITO Naoki, Japanese ambassador to Bangladesh, yesterday.

Chattogram is a city that continues to attract foreign direct investment (FDI) from Japan and will play an important role in the further growth of Bangladesh's economy, he said.

Naoki was addressing as chief guest an event organised by Chattogram AOTS Alumni Society (CAAS) and Nippon Academy at Radisson Blu Chattogram Bay View marking 50 years of diplomatic relations of Bangladesh and Japan.

Ten Japanese companies are doing business in Chattogram and Karnaphuli export processing zones. Mirsharai Bangabandhu Industrial City is getting ready. "I am sure there will be Japanese investment there as well," he said.

BSRM Group Chairman Alihussain Akberali and Managing Director Aameir Alihussain, JETRO Country Representative UG Endo, Jica's Country Representative Ichiguchi Tomohide, and Chittagong Chamber's President Mahbulul Alam were present.

LIFE INS PREMIUM

| | |
|-----------|-------------|
| 2017 | Tk 8,199cr |
| 2018 | Tk 8,989cr |
| 2019 | Tk 9,600cr |
| 2020 | Tk 9,501cr |
| 2021 | Tk 10,260cr |
| 2022 (Q2) | Tk 4,606cr |

GLOBAL COMPARISON

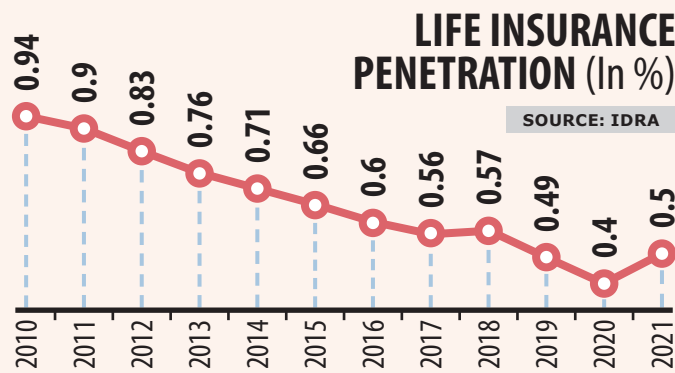
(Life ins penetration)

Bangladesh: 0.5pc
Emerging market average: 3.3pc
India: 3.2pc
China: 2.4pc

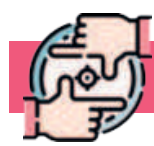


REASONS OF LOW PENETRATION

- Lack of trust
- Discontinuation of policy
- Low claim settlement
- Dearth of knowledge
- Lack of product diversification
- Absence of advanced technology



Life insurance penetration halves in a decade



SECTOR IN FOCUS

SUKANTA HALDER and AHSAN HABIB

Anwar Hossen, who holds an MBA, works for a private firm and draws a monthly salary of more than Tk 60,000. But he has not purchased any life insurance policy although private sector employees in Bangladesh are not entitled to any pension support and his four-member family will be in trouble if he faces any untimely death.

The reason is he has heard that many people don't receive the proceeds of the policy from insurance companies, so he has no trust in the insurance sector.

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He is just one of the crores of people, educated and uneducated, in Bangladesh who don't have faith in insurers. As a result, life insurance penetration is very low.

In fact, life insurance penetration has almost halved in the last one decade although the sector boasts 35 life insurance and 46 non-life insurance companies.

In 2021, life insurance penetration,

measured as the ratio of gross written premium to GDP, was 0.5 per cent, way lower than 0.94 per cent in 2010, according to data from the Insurance Development and Regulatory Authority (IDRA).

It means that most Bangladeshis are uninsured and the insurance premium is not rising in keeping with the economy, which has clocked more than 6 per cent growth in the last decade on average.

Insurance provides protection against financial loss and insurance coverage against the loss acts as an insulator, particularly during crisis periods.

But a majority of people in Bangladesh remain outside the insurance coverage mainly due to lower savings rates and a lack of financial literacy, said the central bank in a report last week.

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Broadband internet user growth hits a plateau

MAHMUDUL HASAN

The growth of broadband internet subscribers in Bangladesh has flattened in the last three months as both individual and corporate users have moved to cut their bills to deal with soaring inflation.

In the three months to August, the number of broadband connections has remained unchanged at 1.11 crore, indicating that the high demand for internet connections seen during the peaks of the coronavirus pandemic has reached a plateau.

"The demand for new connections from offices and businesses has almost stalled," said Md Emdadul Hoque, president of the Internet Service Providers Association of Bangladesh (ISPAB), the platform of last mile cable internet service providers.

Besides, many people already have been

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ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লিঃ

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