



The Bangabandhu Sheikh Mujib Shilpa Nagar being developed on 33,000 acres of land in Chattogram is shaping up to be the largest industrial enclave in the country. As such, the Bangladesh Economic Zones Authority has assured that utility services will be provided on a priority basis for investors, who have already poured considerable funds into the project.

PHOTO: NAIMUR RAHMAN

Beza vows to ensure utility services for investors

PM to inaugurate 50 industrial units at economic zones on Wednesday

STAR BUSINESS REPORT

Industrial services such as gas, power and water are being provided on a priority basis for investors operating in all economic zones across the country, according to Shaikh Yusuf Harun, executive chairman of the Bangladesh Economic Zones Authority (Beza).
“Although power production is being temporarily hampered by the ongoing global crisis, the government has vowed to ensure the service on a priority basis for economic zones,” he said.
“We have also got commitments from the government regarding the gas supply for factories operating inside industrial enclaves,” Harun added.
The executive chairman went on to say that Beza has already set up the required distribution network for this service at all economic zones so that any investor can avail a gas connection.
Harun made these remarks during a press meet organised by the Economic Reporters Forum (ERF) in Dhaka

yesterday.
He then said the power crisis would improve to a great extent after the Rooppur Nuclear Power Plant and Matarbari Power Plant come into operation.
And although difficulties remain in ensuring the availability of liquid natural gas, it will be possible to provide a smooth supply in the coming days.
Regarding the water supply, Harun said the service requirement would be fulfilled once the projects undertaken in this regard are implemented under the World Bank.
“We have already set up some tube-wells and adopted a project to fetch water from Matamuhuri river,” he said.
Besides, the government is planning to set up a water grid in Meghna river that will reduce the dependency on groundwater at nearby economic zones.
Beza is now prioritising the use of khas land, or unsettled fallow land owned by the government, for setting up economic zones.
In addition, Beza is ensuring that

industry owners comply with all regulations when setting up units inside the country’s economic zones.
“We won’t compromise in this regard,” Harun said, adding that Beza previously cancelled the allotments of two investors for violating regulations.
He also informed that a clause has been incorporated in lease agreements so that the economic zones can remain free of corruption.
Beza has already received investments amounting to \$22.17 billion for five of its state-run economic zones, where a total 6,084 acres of land have been leased to 177 investors.
Apart from that, 12 licensed private economic zones have gotten investments of more than \$4 billion collectively.
Marking the 50th anniversary of Bangladesh’s independence, Prime Minister Sheikh Hasina will virtually inaugurate 50 industrial units at economic zones across the country on October 26.
The premier will also lay the foundation

stone of 29 industrial units across nine economic zones, which have so far received investments of \$610 million and are in the process of receiving \$1.9 billion more.
The investments came from different nations, including Japan, China, India, Australia, the Netherlands, US, UK, Germany, Singapore, South Korea and Norway, Harun said.
The Beza executive chairman also informed that the commercial operations of four industries at the Bangabandhu Sheikh Mujib Shilpa Nagar (BSSMN), namely Asian Paints of India, Nippon of Japan, McDonald Steel Building Products of Bangladesh and TK Group’s associate organisation Samuda Construction Limited, would be inaugurated.
Abdullah Al Mahmud Faruk, project director of the BSSMN, made a presentation on the overall operations and progress of its activities at the press meet.
The event was chaired by ERF President Sharmin Rinvi.

Islam becomes BB executive director

STAR BUSINESS REPORT

Anwarul Islam, director of the department of onsite supervision at Bangladesh Bank, was promoted to the post of executive director of the central bank yesterday.



Islam served Bangladesh Sangbad Sangstha as a staff reporter before joining the banking regulator in 1993.
Bangladesh Bank honoured him with the Employees Recognition Award (gold medal) in 2007 for his outstanding contribution to banking regulation.
He studied English literature and business administration and obtained training on banking supervision from Switzerland, the UK, Germany, Australia, Malta, the USA and Canada.

Hire more cost and management accountants

Speakers urge companies

STAR BUSINESS DESK

Cost and management accountants are not only employed in traditional accounting and finance positions but their expertise is utilised in diversified areas like supply chain management, project management, human resources, admin and finance, said experts at a view exchange programme.
With a view to building a bridge between two professional groups – human resource professionals and recruiting agencies – to work together to achieve synergy in the corporate level, the Institute of Cost and Management Accountants of Bangladesh (ICMAB) organised the programme at Six Seasons Hotel in Dhaka recently, a press release said.
Referring to the Financial Reporting Act-2015, ICMAB President Md Mamunur Rashid urged the HR heads to recruit professionals of cost and management accountants (CMAs) in their organisations.
“ICMAB maintains a world class course curriculum and its qualification is recognised in the global market. Its members are working at top-level positions in different sectors in the country as well as in the international arena,” he said.
Senior HR professionals from the International Centre for Diarrhoeal Disease Research, Bangladesh (icddr), Grameenphone, Concord Group, Aamra Group, X Index Group, Incepta Pharmaceuticals, Aristopharma, Super Star Group, Square, Enroute, Premier Cement, Nitol Niloy Group, The IBN Sina, Renata, GBB Power, Enroute Management Consulting, Munshi HR Solutions and bdjobtoday.com took part in the event.
The institute re-launched its newly developed job portal which, it hopes, will work as a hub for job seekers as well as employers.

Insurance claim

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The rural people are the main victim,” said Ghulam Rahman, president of the Consumers Association of Bangladesh (CAB).
“Some influential people took control of the companies and they misused and embezzled life funds. In recent times, some of the cases were detected too.”
For example, the auditor of Fareast Islami Life Insurance found that the insurer allowed its former chairman and directors to commit serial financial crimes and siphon off policyholders’ funds worth more than Tk 2,100 crore between 2010 and 2020.
A number of directors of Prime Islami Life Insurance also siphoned off more than Tk 300 crore, according to its auditor.
Rahman, a former chairman of the Anti-Corruption Commission, said one of his relatives also struggled to get back his fund.
Many companies spent more to run their operations than the allowable expenses, so they could not settle claims, said Jalul Azim, managing director of Pragati Life Insurance.
Last year, 17 life insurers spent Tk 123 crore in excess of their allowable costs, IDRA data showed.
“Bad investment of some companies has reduced their capacity to pay back clients. So, the claim settlement ratio has decreased abruptly,” Azim said.
Tahmina Akhter, a homemaker in Chandpur, bought a life insurance policy. The tenure was 10 years and it matured in November last year.
She submitted the claim with the insurer but it was dilly-dallying and was not making the payment.
“I had to knock on the insurer’s door for six months to get the fund,” Tahmina said. She received the proceeds of the policy with the help of an influential relative.
A senior official of a life insurer said that two or three big companies that are in bad shape financially do not settle claims for their lower capacity.

Similarly, many small companies could not settle claims at the rate they normally do due to the business losses amid the pandemic, he said.
“So, the situation has deteriorated.”
Nasir Uddin Ahmed, first vice-president of the Bangladesh Insurance Association, said insurance companies were hit in 2020 and 2021 due to the pandemic.
“The situation has improved in 2022, so the settlement ratio would hopefully be better this year.”
If the lower claim settlement continues, general people’s perception of the insurance sector will face further blows, according to Prof Main.
“All the efforts of the insurers and the IDRA to create a positive impression and lift the penetration level will be hampered if the claim settlement ratio does not improve.”
Prof Main points out that the IDRA does not have an adequate workforce so the regulator can’t monitor the sector properly.
“The government should strengthen the IDRA so that it can work properly to ensure accountability in the sector. Until the companies follow rules and regulations and settle claims, the sector will not receive any boost and be able to keep pace with the economic progress of the country,” said CAB’s Rahman.
Mohammad Jainul Bari, chairman of the IDRA, also said that the settlement ratio dropped mainly because of the lower settlement by some insurance companies.
“We are sitting with these companies separately to know about their plans on how they would settle the claims. If needed, we are asking the insurers to sell assets because timely claim settlement is the most important priority to us.”
He acknowledges that if companies do not settle claims properly and timely, the confidence of the people in the sector would erode.
“We have already taken some steps to reduce the cost of the companies and the misuse of funds,” he said, adding that the claim settlement ratio has already improved in 2022.

Businesses stare

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Azad was addressing a seminar organised by the Bangladesh Chamber of Industries (BCI) at the Westin Dhaka on mitigation of the impact of the energy crisis on the industrial sector.
Businesspeople from different sectors, chamber and trade body leaders, exporters and experts participated in the seminar.
Azad demanded that the government divert five per cent of the gas used in households to keep production running in industrial units.
Like Azad, other owners of industrial units and leaders of different trade bodies also demanded adequate supply of gas as soon as possible for the continuation of production in industries.
Mohammad Ali Khokon, president of Bangladesh Textile Mills Association, said the production cost of a kilogramme of yarn had crossed \$2.30 whereas it was \$1.25 when gas supplies were normal.
If there is adequate gas supply, it will be possible to achieve the merchandise export target of \$60 billion this fiscal year, he said.
Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said production cost of the industrial sector had risen anywhere from 10 per cent to 35 per cent because of the gas shortage.
Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said many small and medium factories of Savar have already been shut down as they cannot continue production because of the gas crisis.
Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry, suggested exploring for gas in the Bay of Bengal.
Md Akhter Hossain Apurbo, director of the Bangladesh Knitwear Manufacturers and Exporters

Association, said profits from the sale of knitwear items fell to almost zero because of a five per cent rise in production cost from the shortage of gas.
So, the government can at least withdraw the 15 percent VAT on the import of furnace oil to meet the immediate demand for fuel in the industrial sector, he said.
Shwapna Bhowmick, regional director for Bangladesh and India for Marks & Spencer, said she visited 27 supplier factories over last two months but her experience was not good as productivity had fallen significantly due to the gas supply shortage.
She said no benefit would come from hiking per unit prices of garment items as the production volume itself was down.
However, the M&S has a plan to increase sourcing from Bangladesh by 40 per cent over the next two years, she said.
Bangladesh should not miss this opportunity and the suppliers should maintain high confidence, she added.
Binayak Sen, director general at the Bangladesh Institute of Development Studies, said if the industries were saved, the country would be too.
But at the same time, the gas price also needs to be readjusted as the current gap between local and international prices was \$22 per unit, which was huge, he said.
He suggested supplying gas to select industrial belts and even rationing for domestic uses so that factory production could continue and employment be protected.
Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister, advised having patience, saying that the government was trying to improve the gas and electricity supply situation.
Anwar ul Alam Chpwdhury Parvez, president of the BCI, also spoke.



Mohammed Monirul Molla, managing director of Islami Bank Bangladesh, inaugurates the bank’s “Cyber Security Awareness Fortnight” programme at Islami Bank Tower in Dhaka yesterday. Muhammad Qaisar Ali, Md Omar Faruk Khan and JQM Habibullah, additional managing directors of the bank, AFM Kamal Uddin, Md Altaf Hossain, Md Nayer Azam, Md Siddiqur Rahman, Mohammad Jamal Uddin Mazumder and Mohammed Shabbir, deputy managing directors, and Md Mehedi Hasan, chief information security officer of Bangladesh Bank, were present.

PHOTO: ISLAMI BANK BANGLADESH

Factory output growth slows

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It may be that the buying power of people has not increased while the production cost of factories has increased,” he said.
The production growth will worsen this year for multiple reasons, including the global economic slowdown, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.
Zaidi Sattar, chairman and chief executive of the Policy Research Institute of Bangladesh, said the double digit increase in production could still be termed high.
Industrial growth would have been higher if the Bangladesh economy had not suffered from the Russia-Ukraine war-induced shocks. In particular, import figures of June were affected due to government restrictions, he said.

On September 10, banks fixed the buying and selling rates of the US dollar in order to contain the volatility in the foreign exchange market resulting from higher imports than export and remittances earnings. The rates were changed slightly on September 26.

Bafeda refixes dollar rates

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an organisation that implements foreign exchange-related policies, announced the new rate at a media briefing after the meeting.
Importers will continue to buy the greenback based on the weighted average exchange rate plus Tk 1. The average rate will be decided based

on the rates paid to exporters and exchange houses.