

# Local firm to invest \$31.75m in Ctg EPZ

STAR BUSINESS REPORT

Bangladeshi company Pacific Attires Ltd will invest Tk 31.75 million to set up a high-end garments manufacturing industry in Chattogram Export Processing Zone (CEPZ).

The company will produce annually 18.72 million pieces of formal suits for men and women, jackets, coats, dress pants, casual wear, boys/girls casual wear.

With this investment, the company will create job opportunities for 4,994 Bangladeshi nationals.

Pacific Attires is a sister concern of Pacific Jeans Group, which has eight operational units in Chattogram EPZ where around 31,000 people work.

Ali Reza Mazid, member for investment promotion at Bangladesh Export Processing Zones Authority (Bepza), and Syed Mohammed Tanvir, managing director of Pacific Attires Limited, signed an agreement at Bepza Complex in Dhaka yesterday.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, attended the deal signing ceremony where Mohammad Faruque Alam, member for engineering at Bepza; Md Zakir Hossain Chowdhury, executive director for administration; Nazma Binte Alamgir, executive director for public relations; Md Tanvir Hossain, executive director for investment promotion, and Md Khorshid Alam, executive director for enterprise services, were also present.

# Stocks return to black

STAR BUSINESS REPORT

The Dhaka stock index returned to the black yesterday after two days' drop while turnover was less than Tk 650 crore amidst lower participation of investors.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), edged up 20 points, or 0.32 per cent, to 6,328.

Turnover at the DSE rose 86 per cent to Tk 623 crore from that on the previous trading day while trading hours were reduced by over two hours due to a technical glitch.

However, the turnover is quite low compared to last week's daily average turnover of Tk 1,160 crore.

The DS30, the index that consists of blue-chip companies, was down 0.07 per cent to 2,243 while the DSEs, the Shariah-compliant index, was up 0.42 per cent to 1,390.

The stock markets bounced back slightly as the bargain hunters showed their buying interest on sector-specific stocks at lucrative prices as the market lost 193 points in the DSEX over the past eight days, said International Leasing Securities in its daily market review.

The market started off on a positive note, peaking at the middle of the session and then somewhat reversing due to adjustments by buyers of the session earlier.

Investors' participation increased, which reflected in the turnover which increased yesterday, it added.

All the sectors achieved price appreciation except for tannery, which fell 0.5 per cent.

Jute advanced 6.5 per cent, IT 4.1 per cent and paper 3.9 per cent.

Based on the turnover, the investors' focus was mainly on miscellaneous (17.9 per cent), pharmaceuticals (17 per cent) and engineering (14.6 per cent) sectors.

At the DSE, 86 securities advanced, 21 declined, and 248 remained the same.

Tamijuddin Textile Mills topped the gainers' list, advancing 9.99 per cent. Jute Spinners, ADN Telecom, BDCOM Online, and Bashundhara Paper Mills also rose over 9 per cent.

Apex Footwear suffered the highest correction, sliding almost 6.9 per cent. Navana CNG, International Leasing and Financial Services, Beximco and Union Capital also came up in the list of those suffering losses the most.

The Caspi, the all-share price index of Chittagong Stock Exchange, increased 20 points, or 0.10 per cent, to end at 18,653.

Of the issues that were traded on the bourse in the port city, 50 advanced, 30 declined, and 128 did not show any price movement.

# Uttara Bank's profit falls 26pc in Q3

STAR BUSINESS REPORT

Uttara Bank Limited's profit fell 26 per cent year-on-year to Tk 45.70 crore in the July-September quarter of 2022.

The private commercial bank's profit stood at Tk 61.79 crore during the same quarter in 2021.

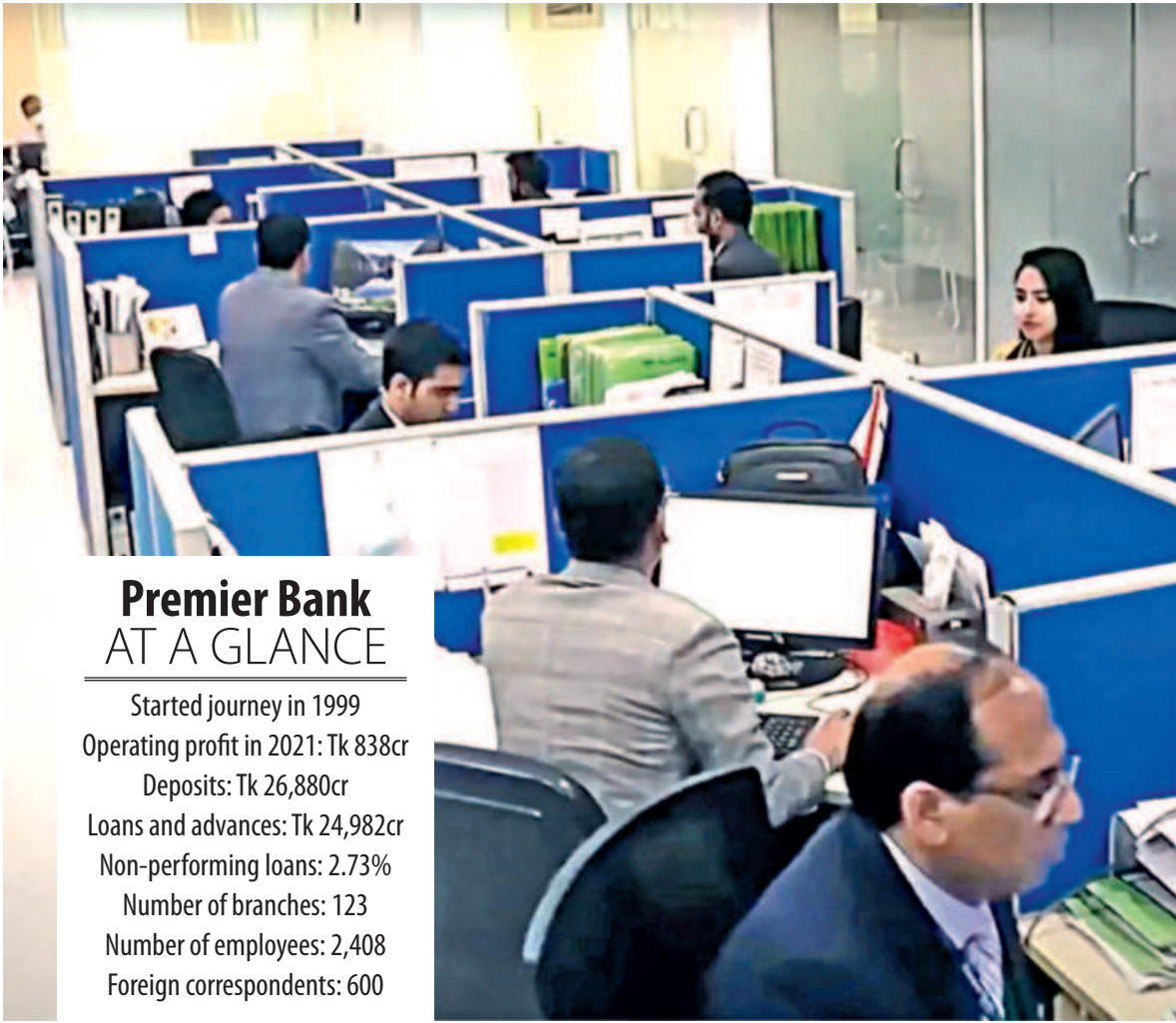
Thus, it reported consolidated earnings per share of Tk 0.71 in July-September of 2022 against Tk 0.96 for July-September of 2021, according to the un-audited financial statements.

Uttara Bank's profit, however, rose 18 per cent year-on-year to Tk 192.47 crore in the January-September period this year. It was Tk 162.86 crore in the same period of 2021.

Thus, the consolidated EPS was Tk 2.99 for January-September in 2022 versus Tk 2.53 during the same period of 2021.

The consolidated net operating cash flow

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## Premier Bank AT A GLANCE

Started journey in 1999  
Operating profit in 2021: Tk 838cr  
Deposits: Tk 26,880cr  
Loans and advances: Tk 24,982cr  
Non-performing loans: 2.73%  
Number of branches: 123  
Number of employees: 2,408  
Foreign correspondents: 600

# Premier Bank to grow further on new trends

Says its Managing Director M Reazul Karim

MD FAZLUR RAHMAN

*The Premier Bank Limited celebrates its 23rd anniversary today. Set up in 1999, it is one of the strongest banks in Bangladesh today with the lowest non-performing loan ratio. Its deposit base and loans have expanded in the last two decades. Recently, M Reazul Karim, managing director of Premier Bank, spoke about the bank's journey, digital banking and new challenges and opportunities for banks, during an interview with The Daily Star.*

**DS:** Premier Bank is going to celebrate its 23rd anniversary today. Please tell us about the journey?

**Karim:** The Premier Bank has been on a roll since its inception. From the very beginning, the bank has been playing an active role in the country's economic development through financing to industrial, commercial and agricultural projects.

Over the last few years, we have achieved enviable success in all indicators. In the last five years, there has been more than 50 per cent growth in most of the indicators.

By creating hundreds of entrepreneurs, Premier Bank has paved the path for prosperity from generation to generation.

We have undergone major changes over the past four to five years. It has been possible thanks to the very active role of the board of directors headed by honourable chairman Dr HBM Iqbal.

The Premier Bank has received many national and international awards in recognition of its achievements. By gaining the trust of customers, Premier Bank has become one of the leading banks in Bangladesh.

**DS:** What is the key strength of your bank?

**Karim:** Our experienced workforce is the key strength of our bank.

We have targeted to expand our services in the rural areas to accelerate financial inclusion, alongside maintaining our focus in the urban areas.

We are continuously upgrading our service quality and bringing variety to our services. Customised services are frequently being provided to attract good clients.

**DS:** What is the situation of the bank?

**Karim:** When I took charge as the managing director and CEO of Premier Bank Limited on April 23, 2018, the bank's asset and deposit portfolios were Tk 18,892 crore and Tk 14,631 crore respectively. As of September 2022, it rose to Tk 38,280 crore and Tk 29,130 crore, respectively. It has been possible because of the wholehearted effort of all 2,408 employees of the Premier family.

**DS:** The non-performing loan (NPL) ratio is decreasing at your bank. What steps have you taken to bring down bad loans?

**Karim:** NPLs are always destructive for an economy. We continuously analyse the basic reasons for NPLs and then we adjust our strategies to control them.

A lack of monitoring is one of the major causes of loan defaults. Keeping this in mind, we are very much cautious regarding monitoring of every loan. Since prevention is better than cure, we emphasis following a rigorous process in loan disbursement.

If a loan is disbursed complying with the process of loan approval, there should be no difficulty in the collection.

**DS:** What have you added to modern remittance?

**Karim:** Our remittances are growing steadily. We currently have agreements with 30 exchange houses to bring remittances through the banking channel.

We have recently entered into strategic alliances with some of the top mobile financial services to deliver remittance services to distant villages. After the tie-up with MFS providers, we are now able to fetch remittances to the doorsteps at the village level.

**DS:** How much has your bank's asset quality improved?

**Karim:** We have always strived to improve and maintain the asset quality of our bank. At the time of loan originations, we check the quality of prospective borrowers, evaluate business risks and check the background of sponsors. We always try to follow the policies of the Bangladesh Bank in processing loans.

As a result, our asset quality is quite good and our classification rate was 2.49 per cent as of June this year, the lowest in the banking sector.

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# Rising inflation: What can be done?

RIZWANUL ISLAM

The sharp rise in the rate of inflation witnessed in recent months is worrisome for at least two reasons: it is bad for investment decisions and economic growth, as well as for low-income people, especially those with fixed incomes.

The conventional tool that is usually recommended for fighting inflation is to raise interest rates.

However, the present context is different at least in Bangladesh, where inflation is not so much due to excess demand but more due to supply side problems like shortages, bottlenecks in the supply chain, absence of competition, and political economy issues.

On top of all these, administered prices of commodities like fuel have been raised, providing impetus to inflation.

In this situation, the conventional tool for fighting inflation may not work. Rather, it may have adverse effects on investment, output growth and employment.

Although I am not in support of the fixed interest rate regime currently in place, I would recommend a more nuanced approach to fighting inflation with special focus on the supply side



issues, especially for food items and fuel.

Whatever tool is used, inflation may remain stubborn at least in the short-term, and it would be advisable to broaden the policy perspective.

This is particularly important because food inflation appears to be the major driver of overall inflation. In such a situation, the poor and low-income people suffer more.

Hence, measures are needed to address this simultaneously with the fight against inflation.

Already, wage growth has fallen behind inflation growth, indicating a fall in real wages.

The situation is similar for the low-income self-employed. So, immediate steps are needed to provide protection to them.

Examples of measures include a quick adjustment in money wages for the rise in cost of living, augmenting the supply of food items (both the number of items and quantities) for the poor and low-income people through public channels, and cash transfers for covering other basic needs, such transport and clothing.

Using the example of food stamps (which are used even in developed countries), some kind of "token" to cover such cash expenditures may be considered.

*The writer is a former special adviser for the employment sector at the International Labour Office in Geneva.*

# Sitrang sinks Ctg traders

They face losses for flooding

STAFF CORRESPONDENT, Chattogram

Businesses in the Khatunganj, Chaktai and Asadganj areas of Chattogram have incurred huge losses as their warehouses and shops were flooded by rain and seawater during the high tidal surge caused by cyclone Sitrang on Monday.

The tidal waters entered Khatunganj, the country's largest wholesale hub, at 10:00pm and the area remained flooded well after 2:00am, by when most traders had closed up shop and returned home.

Traders in the port city say the damage caused by Sitrang has broken all previous records with most stores, especially those with dry goods such as rice, lentils, salt and cement, suffering the biggest losses.

The century old Khatunganj wholesale market houses about 4,000 businesses and more than 5,000 warehouses, according to local business owners.

An estimated 200 shops in the market have suffered extensive damage due to the cyclone, they said.

"A huge quantity of our onion and lentils have been damaged as water entered our warehouses," said Anisur Rahman, a businessman of Khatunganj.

Mahbubul Alam, president of the Khatunganj Trade and Industries Association, said different types of goods were damaged as the tidal and rainwaters entered warehouses and shops on the ground floor.

"The traders never thought that water could enter the warehouses," he added.



Workers are seen cleaning out a warehouse after the flood waters receded following a tidal surge caused by cyclone Sitrang in Khatunganj wholesale market in Chattogram on Monday. More than 5,000 warehouses are situated at the century old wholesale hub, where about 4,000 business are based.

PHOTO: RAJIB RAIHAN