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BUSINESS



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New local carrier Air Astra to spread wings this month

**STAR BUSINESS REPORT**

Air Astra will start operation this month as the new private Bangladeshi airline received the go-ahead from the Civil Aviation Authority of Bangladesh (CAAB) yesterday.

The airline will have to operate its flight on domestic routes for a year and after that it will be allowed to operate flights on international routes, officials of Air Astra said.

Air Commodore Shah Kawsar Ahmed Choudhury, member for flight standards and regulations of the CAAB, handed over the Air Operator Certificate (AOC) to Imran Asif, CEO and accountable manager of Air Astra, at a ceremony held at the Flight Standard and Regulations office of the aviation regulatory authority.

**AIRASTRA**

At the ceremony, Choudhury welcomed Air Astra to the industry to contribute to the country's gross domestic product through safe and efficient flight operations across the country.

He also thanked Air Astra for its consistent compliance with the regulations of the CAAB, because of which the carrier was given certificate within a year of submission of application.

It is the first passenger airline AOC issued since 2014, the Air Astra officials said.

**Banking hours extended to 3:30pm**

**STAR BUSINESS REPORT**

Bangladesh Bank yesterday announced a new office timing for bankers and banking hours for service-seekers beginning from November 15.

From November 15, bankers will have office hours from 10 am to 5 pm from Sunday to Thursday, Bangladesh Bank said in a circular.

Bankers' existing office hour is 9am to 5pm.

However, banking hour has been extended to 3.30 pm from the existing 3 pm, according to the circular.



Delivery personnel are increasingly relying on bicycles to deliver goods to e-commerce customers in the capital city, a mode of transport that helps them navigate through traffic.

PHOTO: PRABIR DAS

F-commerce plagued by three-pronged crisis

Fighting costly dollar and raw materials, falling sales

**MAHMUDUL HASAN**

Many Facebook-based platforms, which have sprouted in Bangladesh since the beginning of the coronavirus pandemic, are struggling to survive owing to the spike in raw material prices and decline in sales amid the global economic downturn.

The soaring dollar price is also a big headache for them as they have to pay more to buy the American greenback needed to make payments in a bid to boost their posts on their Facebook pages, reach more people and promote their products and services.

The devastating effect of the Russia-Ukraine war and global supply chain disruption has driven up raw material prices and lowered the profit margin.

"We are struggling to survive. Sustaining the business is now the main challenge," said Khadija Tul Kubra, the owner of Warisha Fashion.

The Dhaka-based F-commerce platform has been selling muslin sari and handloom products since 2019. It posted higher sales during most of the pandemic.

The decline came three months earlier as the impacts of the war-induced global slowdown set in.

"Sales have dropped drastically," Kubra said.

She said the price of yarn and fabric and dyeing materials has increased, making it impossible to make a profit.

"Besides, customers are getting more reluctant to buy products day by day."

According to industry people, F-commerce sales have dropped 20 per cent year-on-year in the last three months, as people are tightening their purse strings amid the rising cost of living fuelled by higher food and energy prices.

Inflation in Bangladesh sat on 9.1 per cent in September, squeezing household budgets.

However, despite the economic woes, the number of new F-commerce sellers is on the rise.

"Earlier, people used to open a page on Facebook and then businesses to boost their page.

The American greenback has gained by more than 20 per cent against the taka in the past one year, owing to the falling foreign currency reserves.

In Bangladesh, F-commerce has been thriving for the last few years thanks to the huge size of the Facebook population. Their number has surged to 44 million, placing the country among the top 10 nations in terms of people using the social networking site.

By boosting a post on Facebook, a business's content related to its products or services can reach more people than it would have organically.

Biplob Hossain, manager of the F-commerce platform Tajaothers, which sells gadgets, said the rising cost of boosting is now the main concern for them.

A few months earlier, the cost for a \$1-boosting was around Tk 105 to Tk 110 after paying a 15 per cent value-added tax (VAT). It has now soared to Tk 120-Tk 125.

If the F-commerce platform does not have a business identification number from the commerce ministry, it has to

start a business. But now many physical stores are opening Facebook pages to expand their reach," said Rahath Ahmed, co-founder and chief marketing officer of Paperfly, an online courier service provider.

The entrepreneur said the current slump in businesses has slowed the growth of F-commerce.

He also blamed the dollar price hike for making it costlier for the



State lenders asked to improve health as IMF raises concerns

**AKM ZAMIR UDDIN**

The Bangladesh Bank yesterday asked four state-owned commercial banks to improve their financial health by containing defaulted loans and broadening capital base after the International Monetary Fund (IMF) expressed concerns about their weak conditions.

It came at a meeting between the managing directors of the four banks – Sonali, Janata, Agrani and Rupali – and central bank officials at the BB headquarters in Dhaka in presence of Governor Abdur Rouf Talukder.

The financial health of the banks has worsened to a large extent owing to a wide range of loan scams, irregularities and lack of governance over the years.

A managing director of a state-run bank, on the condition of anonymity, says that the central bank has instructed the four banks to bring down defaulted loans by 2022.

**Defaulted loans in Sonali, Janata, Agrani and Rupali totalled Tk 44,412 crore in June, accounting for 35 per cent of the outstanding non-performing loans in the banking sector**

"The meeting was quite an informal one. The central bank usually gives such instruction in almost all meetings. It might have repeated the instruction due to the IMF's pressure," he said.

Contacted, GM Abul Kalam Azad, the spokesperson of the BB, said that the central bank arranged the meeting with the banks to discuss on how to improve their financial health.

An IMF team is now visiting Bangladesh to scrutinise the strength of the country's financial sector before sanctioning credit support to the tune of \$4.5 billion.

It held meetings with the officials of the finance ministry and the central bank on Sunday where it expressed concerns about the weak financial conditions of the state lenders.

The Washington-based multilateral lender asked about the measures both the government and the BB have so far taken to realise default loans from delinquent borrowers.

The IMF urged the authorities to take adequate measures to reduce classified loans as the concentration of a huge amount of defaulted loans in the banks has already created risks for the entire banking sector.

STOCKS		
	DSEX ▲	CASPI ▲
	0.34% 6,410.66	0.74% 18,945.11

COMMODITIES		
	Gold ▼	Oil ▼
	\$1,624.17 (per ounce)	\$88.23 (per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▼ 0.11% 60,836.41	▼ 0.04% 27,663.38	▼ 1.23% 3,102.51	▼ 0.19% 2,997.81



State factories produce 10 lakh tonnes of urea and insignificant quantities of TSP and diammonium phosphate. Farmers used over 55 lakh tonnes of fertiliser in fiscal 2021-22.

PHOTO: STAR/FILE

Govt to buy 115,000 tonnes of fertilisers

Two UAE companies, Qatar to supply those

**STAR BUSINESS REPORT**

The cabinet committee on government purchase (CCGP) yesterday gave the nod to buy 115,000 tonnes of fertiliser from two Middle Eastern countries to increase fertiliser stock for producing crops in the coming seasons.

Of the amount, the UAE-based Fertiglobe Distribution Ltd, will supply 60,000 tonnes of granular urea at \$626.67 per tonne to the Bangladesh Chemical Industries Corporation (BCIC) under the industries ministry.

The remaining 30,000 tonnes will be bought under the state-to-state contract from Qatar at the same price, said Sayeed Mahub Khan, additional secretary to the Cabinet Division after a meeting chaired by Finance Minister AHM Mustafa Kamal.

The meeting also gave permission to import 25,000 tonnes of triple super phosphate (TSP) to the Bangladesh Agriculture Development Corporation (BADC) at \$562 per tonne.

The latest rates for urea and TSP were lower than the rates at which the government gave approval to buy the fertilisers.

In addition, the CCGP approved a proposal

from the TSP Complex, Chattogram under the BCIC, to buy 25,000 tonnes of rock phosphate from the UAE-based Gentrade FZE through Desh Trading Corporation.

**The agriculture ministry projects a requirement of 55.5 lakh tonnes of chemical fertiliser for fiscal 2022-23 and most of it would be met through imports**

In September, the government granted clearance to these state agencies to import 90,000 tonnes of fertiliser from Qatar and Morocco under a state-to-state contract to build stock amid the ongoing economic uncertainty stemming from the Russia-Ukraine war.

The agriculture ministry projects a requirement of 55.5 lakh tonnes of chemical fertiliser for fiscal 2022-23 and most of it would be met through imports because of inadequate domestic production.

State factories produce 10 lakh tonnes of urea and insignificant quantities of TSP and diammonium phosphate. Farmers used over

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