

Robi to invest Tk 2.5cr in digital start-ups

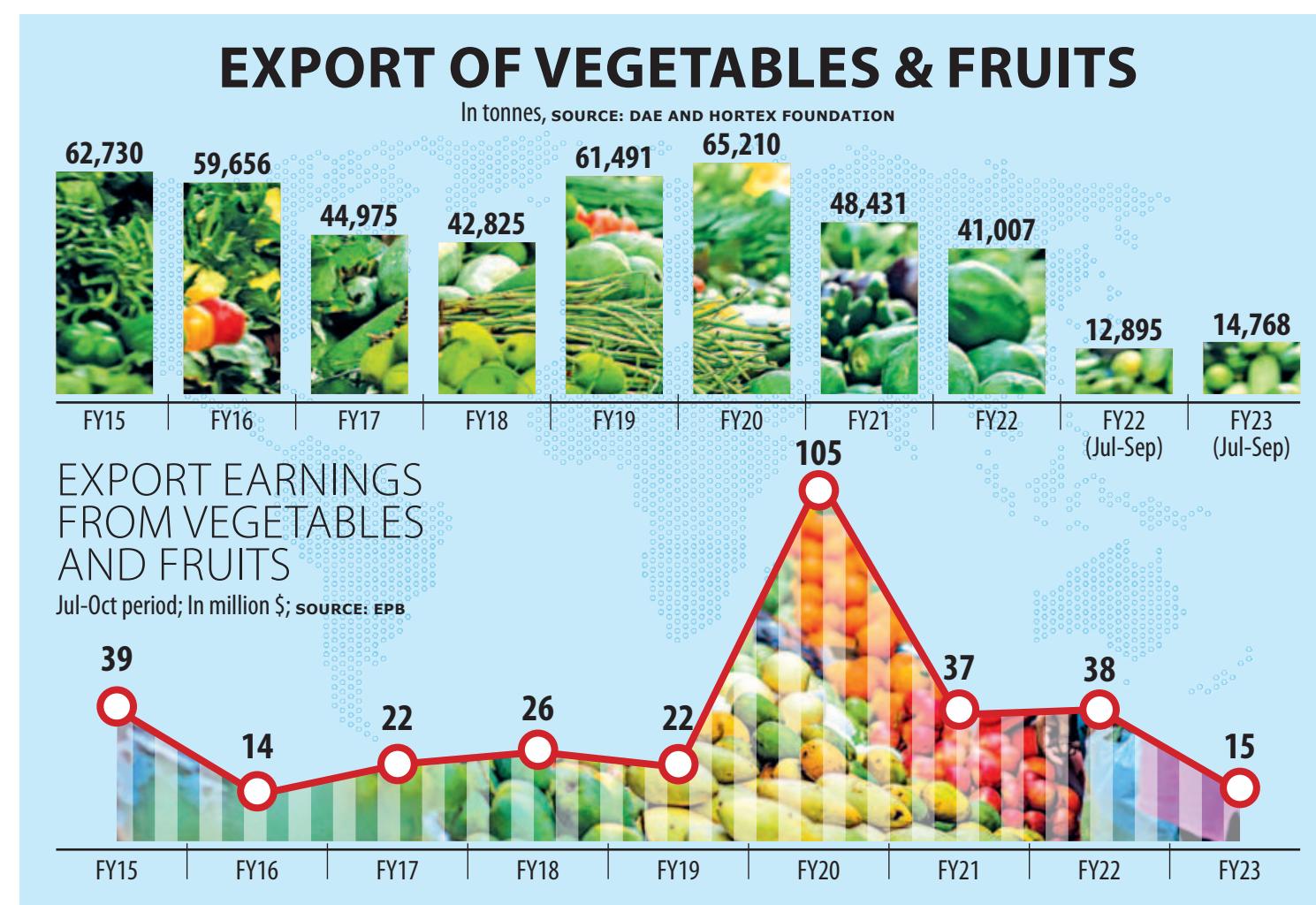
STAR BUSINESS REPORT

Robi yesterday announced that it would invest Tk 2.5 crore in digital start-ups who will make their way to the top of flagship digital entrepreneurship competition r-ventures 3.0.

The announcement came at a press conference organised at Sheraton hotel in Dhaka to celebrate the mobile network operator's 25th anniversary of operation.

"Since our inception, we have made close to Tk 30,000 crore as capex investment, and contributed close to Tk 39,000 crore to the govt exchequer," Robi CEO Rajeev Sethi said.

"Our sprawling business operation around the country supports more than 100,000 jobs now. Hence, our future is deeply entrenched in the future wellbeing of the country."



Vegetable exports dip to 6-year low

SOHEL PARVEZ

Bangladesh's earnings from vegetable exports dipped to six-year low in the July-October period of the current fiscal year as high air freight rates and increased prices eroded the competitiveness of fresh produce.

Exporters fetched just \$15 million from air-shipping locally produced fruits and vegetables to Middle Eastern and European markets in the first four months of fiscal 2022-23, down 60 per cent from \$38 million during the same period last year, shows data of the Export Promotion Bureau (EPB).

"Over the last six months, airlines have hiked cargo fares at will. The air-freight cost has shot up 40 per cent over the last one year," said Mohammad Mansur, general secretary of the Bangladesh Fruits, Vegetables and Allied Products Exporters' Association.

Besides, transport costs have increased following a hike in petroleum prices by the government in August this year.

As freight costs have gone up, importers, mainly in the Middle East, are

showing a lack of interest for fresh farm produce from Bangladesh.

Instead, many of them are buying from West Bengal's exporters, who are shipping vegetables and fruits through Kolkata, where the air freight rate is much lower than in Bangladesh.

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"We have to pay higher fares for cargo space in carriers as there is demand for garment shipments by air," he added.

Vegetables, one of the major exported items under agricultural products, saw a slump in earnings at a time when overall export receipts have been slowing down due to recession fears and stockpiling of

major export items, namely garments, in Europe and the US, which are Bangladesh's main markets.

Overall, export earnings from agricultural products declined 24 per cent year on year in the July-October period, according to EPB data.

"Had the US dollar rate been equal to the rate received by remitters, we could be able to improve our competitiveness and increase earnings," said Mansur, urging Bangladesh Bank to take steps so that both exporters and remitters get the same prices for US dollars.

At present, exporters get Tk 99.50 for each US dollar while banks pay a maximum of Tk 107 to foreign exchange houses to collect remittance sent by Bangladeshi migrant workers from abroad.

The lower rate is discouraging exporters too, he added.

Some exporters also alleged a lack of cooperation from the officials at the Central Packing House under the Department of Agricultural Extension (DAE) for slowing shipments and export proceeds.

"We are not getting the expected level of

help from the DAE," said Mohammad Abul Hossain, proprietor of Lee Enterprise, an exporter of fresh vegetables and fruits.

Sayed Rafiqul Amin, director of the Plant Quarantine Wing under the DAE, said they want to ensure exports by ensuring compliance, such as traceability of vegetables or fruits.

He then said a section of importers appreciate such steps.

"We are trying to provide easy and hassle-free services to exporters to accelerate shipments," Amin added.

SM Jahangir Hossain, president of the BFVAPEA, expects exports earnings to increase in the coming months due to the arrival of vegetables during winter, the main season for vegetables.

"In general, July-October is the lean season for exports as we have to depend on a limited stock of summer and monsoon vegetables," he said.

Besides, vegetables grown in Italy during summer are exported to other countries in Europe.

"So, winter is a good season, when the supply of vegetables increases while prices drop," Hossain added.

BB spots cases of trade-based money laundering

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banks are facilitating LCs based on usable remittances they have," Azad said.

NO LIQUIDITY CRISIS AT BANKS

The central bank says there is no liquidity crisis in banks and Tk 169,586 crore is now available in the banking sector in the form of excess liquidity.

Rumours that deposits are being withdrawn from banks are being spread through social media. So, the central bank has already sent a special cautionary message to managing directors of all banks, Azad said.

"If banks face any liquidity stress, the central bank will sort out the issue with utmost importance."

The central bank provides required cash to the banking sector through two windows: repo (repurchase agreement) and assured liquidity support.

"No bank has been closed in the last 51 years of independence. We hope no bank will be closed in the future as well. People's deposits are safe with banks," he said.

Sarwar says that the central bank has taken measures to tackle hundi, an illegal cross-border financial transaction system.

Hundi cartels faced barriers during the height of the coronavirus pandemic since international movement of people came to a complete halt, pushing up remittance

transfers through legal channels.

But following the improvement in the coronavirus situation and easing of restrictions, the hundi system has revived again. As a result, remittance flow to countries such as Bangladesh is maintaining a regular trend despite a record outflow of Bangladeshi workers going abroad for jobs.

According to the BB official, import payments have already declined in recent months. As a result, the current account deficit has started to narrow.

"If the current trend of export earnings and remittance continues in the months to come, the ongoing stress in the foreign exchange market will ease by January next year."

Bangladesh's apparel

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letters of credit for importing raw materials, he added.

Factory owners are also trying to solve the energy crisis installing solar panels and the local apparel suppliers are earning more than what was being spent importing raw materials, so there is no crisis of dollars in the garment sector, Hassan also said.

Cem Altan, president of International Apparel Federation, said Bangladesh already has the highest number of green garment factories worldwide as global fashion trends have changed a lot over the last few years.

Although fast fashion continues its domination globally, slow fashion is also needed, he said.

However, Bangladesh needs better prices from international retailers and brands. Because growing business without profit is not good,

he said.

Mostafiz Uddin, managing director of Bangladesh Apparel Exchange, said he received a lot of positive responses from local and international players of the garment sector at the show.

The show mainly indicates the strength of the country's garment sector as a lot of local and international retailers and brands are displaying their goods even at this time of global and local crises, he said.

The recovery of the inflow of work orders will also take place for such a mega event being held at this time of crisis, he said.

Apart from Bangladesh, companies from China, Germany, India, Italy, Japan, Pakistan, San Marino, Singapore, Spain, Turkey, Vietnam, the US, Hong Kong and France are participating at the show.

The BGMEA and Bangladesh Apparel Expo are jointly organising the weeklong events to showcase the strength of the country's textile and garment sectors.

Demand for shirts

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garment items as consumers had increased the amount of time they were staying at home for the lockdowns.

In fiscal year 2018-19, earnings from shirt exports stood at \$3.19 billion but it fell to \$2.44 billion in fiscal year 2020-21 when the pandemic arose.

Shirts accounted for 7.48 per cent of the total export earnings of \$42.61 billion from garment items last fiscal year, said the EPB data.

Woven shirt is the fourth item exported the most from Bangladesh.

GP on a roll, Robi yet to find strong footing

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telecom investors were unhappy with the telecom policies and regulatory regime of Bangladesh and as a result, they even did not consider any further investment in the country save some requisite technological support.

In 2013, it decided to squeeze its stake to 8 per cent from 30 per cent. When Robi and Airtel merged in November 2016, DoCoMo's share was diluted and came down to 6.33 per cent.

It handed over its remaining 6.33 per cent share to Indian multinational company Bharti Airtel in 2020.

Now Axiata Group of Malaysia holds the controlling stake in Robi at 61.82 per cent. Bharti Airtel of India holds 28.18 per cent, and the general public the remaining 10 per cent.

Many of its milestones were spearheaded by its former CEO Mahtab Uddin Ahmed, the first Bangladeshi to helm the pole position of the operator.

He resigned on August 2, 2021, and Robi dismissed Ahmed on May 22 this year.

Ahmed filed a lawsuit against the telecom operator, its board chairman and former group CEO seeking Tk 227 crore in retirement benefits and compensation for 'wrongful dismissal.'

MILESTONES AND MARKET LISTING

Robi was the first company to launch the 4.5G service in all 64 districts of Bangladesh in 2018. It successfully conducted the first ever trial of 5G technology in the country in the same year.

In December 2020, Robi was listed with both Dhaka and Chattogram stock exchanges.

In less than one month, its share jumped to Tk 70 from a face value of Tk 10. But poor dividend announcements have kept customers dissatisfied, causing its stocks to plummet.

Robi shares traded at Tk 30 on the DSE yesterday.

GP was the first operator to have launched 3G service and 4G service in Bangladesh and pioneered classified marketplace in the country.

Listed in 2009, GP's shares rose as high as Tk 387 in September last year. It traded at Tk 282 on the DSE yesterday.

GP is a joint venture between Norwegian Telenor, which holds a 55.8 per cent stake, and non-profit Grameen Telecom, which has a 34.2 per cent stake.

The rest is traded on the exchanges and held by retail and institutional investors.

NEW CHALLENGES AND OPPORTUNITIES

Customers are still not satisfied with the quality of service provided by GP and Robi as they frequently face call drops, voice breaking up during calls, poor network and agonizingly low internet speed.

Robi has got the biggest opportunity to expand its market share as the regulator banned GP from selling SIM cards for what it called the 'failure to provide quality services'.

On June 29, the Bangladesh Telecommunication Regulatory Commission ordered GP to stop selling new SIM cards.

Amid this new opportunity, Axiata Group, which operates telecom business in 11 countries in ASEAN and South Asia, named Rajeev Sethi as CEO of Robi in September.

He is a former chief executive of Grameenphone and headed an operator in Myanmar in his last stint, and Sethi will face challenges to satisfy customers.

He seems to have pinpointed the challenges.

He said his approach will be that of an operator who listens to customers and acts on them, without making outlandish promises that can't be

kept.

"We will give high priority to ensuring the quality of service that helps customers to enjoy a smooth digital lifestyle."

According to Sethi, 50.9 per cent of Robi's total subscribers are now 4G users, and 67.3 per cent of data users are 4G users.

In the last several years, Robi's capital expenditure has been the highest among operators and that means it is investing heavily in the market.

"So, we have really a great future," said Sethi.

Nurul Kabir also sees a great future in Robi.

"Since its rebranding in 2010, Robi has increased its spectrum, and expanded its digital business, making it a strong player in the telecom industry," he added.

GP CEO Yasir Azman said Grameenphone has been an integral part of the development journey in

Global economic outlook getting gloomier: IMF

REUTERS, Washington

The global economic outlook is even gloomier than projected last month, the International Monetary Fund said on Sunday, citing a steady worsening in purchasing manager surveys in recent months.

It blamed the darker outlook on tightening monetary policy triggered by persistently high and broad-based inflation, weak growth momentum in China, and ongoing supply disruptions and food insecurity caused by Russia's invasion of Ukraine.

The global lender last month cut its global growth forecast for 2023 to 2.7 per cent from a previous forecast of 2.9 per cent.

In a blog prepared for a summit of G20 leaders in Indonesia, the IMF said recent high-frequency indicators "confirm that the outlook is gloomier" particularly in Europe.

It said recent purchasing manager indices that gauge manufacturing and services activity signaled weakness in most Group of 20 major economies, with economic activity set to contract while inflation remained stubbornly high.

"Readings for a growing share of G20 countries have fallen from expansionary territory earlier this year to levels that signal contraction," the IMF said, adding that global fragmentation added to "a confluence of downside risks."

Guardian Life launches digital insurance plan for cancer treatment

STAR BUSINESS DESK

Guardian Life Insurance yesterday launched a digital insurance plan of Guardian Cancer Care, the country's first of its kind insurance plan for cancer treatment.

Sheikh Rakibul Karim, chief executive officer of the insurer, inaugurated the policy at National Press Club in Dhaka, a press release said.

"Providing innovative and affordable solutions is always our utmost priority. Our affordable digital cancer care policy is another milestone in our journey," Karim said.

The new product can be purchased from the official website of Easylife, digital platform of Guardian Life.

As per the terms of the plan, a benefit of up to Tk 20 lakh will be paid to a policyholder in the event of early or major stage cancer diagnosis for highly affordable yearly premiums starting from Tk 150.

Insurance premiums for next 3 policy years will be waived in case a policyholder is diagnosed with early-stage cancer.