BUSINESS

RECONSTRUCTING BOARD

BB removes 5 directors of Uttara Finance

STAR BUSINESS REPORT

Bangladesh Bank yesterday removed five directors of Uttara Finance and Investments Ltd (UFIL) in order to reconstruct the board of directors of the non-bank.

The central bank sent separate letters to the five directors of the non-bank financial institution (NBFI), informing them of their removal from the board.

In the letters, Bangladesh Bank said the directors had been involved in activities that were detrimental to the NBFI and the interest of its depositors.

The five directors are: UFIL Chairman Rashidul Hasan, Vice Chairman Matiur Rahman and three other directors Kazi Imdad Hossain, Zakia Rahman, and Nayeemur Rahman.



A central bank official said they found proof of delinquency among the directors, which is why they were removed from the board

The central bank carried out an investigation in 2020 and found that irregularities involving Tk 5,100 crore were committed by the board and management of the NBFI.

The irregularities were perpetrated during the disbursement of loans and mobilisation of deposits.

The central bank later asked the NBFI to hire a chartered accountant firm to investigate the anomalies in

The chartered accountant firm also found similar evidence of financial scams, where the NBFI's directors

The central bank on June 23 removed the managing director of UFIL, SM Shamsul Arefin, for his alleged involvement in the financial irregularities.

Russian rouble slumps again

REUTERS, Moscow

The rouble weakened sharply on Wednesday, sliding to the 72 mark against the dollar, as sanctions on Russian oil and their probable impact on export revenues put pressure on the Russian currency.

The rouble lost about 8 per cent against the dollar last week and is on course for a hefty monthly decline after an oil embargo and price cap came into force. The finance ministry has said the recent slump is related to recovering

By 1256 GMT, the rouble was 2.2 per cent weaker against the dollar at 71.93, earlier hitting 72.09 and moving in the direction of the almost eight-month low of 72.6325 struck

It lost 1.8 per cent to trade at 76.36 versus the euro and shed 2.3 per cent against the yuan to 10.21.

The rouble has experienced high volatility in the past two weeks and is liable to sharp swings amid smaller trading volumes in the run up to Russia's New Year nolidays

"The newly imposed Western sanctions have contributed to the recent falls in energy prices, which is certainly putting pressure on the rouble," said Olga Yangol, head of emerging markets research and strategy for Americas at Credit Agricole CIB.

The rouble will be relatively resilient going forward though, Yangol added, expecting the oil price to be mainly driven by geopolitics and for OPEC+ to continue to trim its production in response to market fundamentals.

Brent crude oil, a global benchmark for Russia's main export, was down 0.4 per cent at \$84.0 a barrel.

President Vladimir Putin on Tuesday delivered Russia's long-awaited response to the Western price cap, signing a decree that bans the supply of crude oil and oil products from Feb. 1 for five months to nations that abide by the cap. Russian stock indexes were lower.

The dollar-denominated RTS index was down 2.3 per cent to 937.6 points. The rouble-based MOEX Russian index was 0.5 per cent lower at 2,141.3 points.

ANWAR LANDMARK AT A GLANCE





Wants to expand business in 2023





Handed over 150 projects in 21 years

Witnessed 20% yearon-year business growth in 2022

CHALLENGES

- >> Prices of raw materials rose by 40-50% in 2022
- >> New DAP may affect housing business in Bangladesh





SUGGESTIONS

- >> Housing loan repayment period should be 20-30 years instead of 10 years
- Steps should be taken to develop housing sector in district and divisional cities

Anwar Landmark wants to expand business

REFAYET ULLAH MIRDHA

Anwar Landmark, one of the leading real estate developers, wants to expand its business, saying demand was rising rapidly for affordable flats and buildings among consumers like corporate executives, professionals like doctors and engineers and highranking government officials.

The developer has a target to take up at least 25 new housing projects next year, particularly ones involving condominiums, as it had in previous years to meet growing demand for affordable accommodation in Dhaka.

Anwar Landmark has a target to have an build four condominiums at four major sites in Dhaka in two to three Landmark years as the communication is able to hand over easing like beginning of the metro rail and flyovers.

In the outgoing year, Anwar Landmark constructed buildings whose combined floor space will equal nearly three lakh square feet, said Managing Director Hossain Khaled in an interview at his office in Dhaka last week.

This was a 20 per cent year-onyear growth even amidst domestic and global economic downtrends, he said.

During the discussion on the country's real estate sector and his business, Khaled spoke about the rough patch the economy was going through for the Russia-Ukraine war and severe fallouts of the pandemic.

Up until now, the sector has not been that much affected when compared with the global economic volatility and domestic economic downturns, he said.

The sector, including his company, is still continuing to grow despite the economic crunch but prices of raw materials have gone up by 40 per cent to 50 per cent, said Khaled.

Real estate companies are having be reduced and loans and housing to bear the additional costs as the prices of their products had been negotiated a lot earlier, he said.

Khaled cited two main reasons for the sector remaining unaffected from high inflation and economic

The sector does not need to import raw materials spending billions of US dollars and most projects of different companies were negotiated way before the customers, he said. start of the war in February this year, he said.

The US dollar crisis in the banking sector also did not effect, for which Anwar was customers structures of six projects upon their construction, a figure he said to be attaining

almost every year. Over the past 21 years, Anwar Landmark implemented unfortunately consumers will 150 projects and handed over the ultimately not be able to benefit structures to customers, he said. that much, he said.

The Anwar Group of Industries, the mother company of Anwar Landmark, facilitates access to loans for the developer's customers through its involvement with City Bank, Bangladesh Finance and Modhumoti Bank alongside 20 other non-banking financial institutions, said Khaled.

Regarding the interest rate, he said previously banks used to charge 13 per cent on home loans but now has lowered it to nine per cent, which was helping both customers and developers.

He, however, said the loan repayment period should be extended to 20 years to 30 years instead of being limited to 10 years so that the instalment amounts can

made more affordable.

This is already in practice in developing and developed countries, he said, adding that the government and central bank should work on it so that the masses can avail loans.

Similarly, the government could issue a "housing bond" to collect long-term funds that could be used to provide loans to the sector's

the From sector's perspectives, the latest Detailed Area Plan

(DAP) for Dhaka of Rajdhani Unnayan Kartripakkha, development authority, has both good aspects alongside ones, said Khaled.

If the new DAP is implemented, many in the sector may not be able to sustain themselvesand

Discussions should have been

held with the major stakeholders and the sector, which accounts for 17 per cent of the national GDP and the creation of millions of jobs, before the DAP was finalised, he said. Real estate businesses should

also be developed outside of Dhaka. "Dhaka does not mean Bangladesh," said Khaled.

"If we can take real estate business with adequate facilities like educational institutions and healthcare facilities to the district and divisional cities, we can lessen the burden on Dhaka," he said.

"We want to develop buildings outside of Dhaka...it is not possible...as the demand is not too high," Khaled said.

Stocks rise but turnover drops

STAR BUSINESS REPORT

Stocks in Bangladesh yesterday returned to the green territory following two days of decline while turnover of the country's premier bourse in Dhaka

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), advanced 15 points, or 0.25per cent, to close the session at 6,195 points. The DS30, the blue-chip index, rose 0.12 per

cent to 2,194 while the DSES, the index that represents shariah-compliant companies, edged up 0.24 per cent to 1,355.

Some individual investors are trying to buy stocks that were moving based on rumours and so, these stocks have remained in the top gainers' list for the last few days, according to a stockbroker.

"As the well-performing stocks are not moving, they [individual investors] targeted newly listed and low capital-based companies," he said.

However, institutional investors are cautious about investing in the market amid the present gloomy economic scenario, he added.

Among the traded companies, 74 advanced, 91 declined and 168 remained the same.

The stock market bounced back after a two-day slump ahead of the New Year as bargain hunters showed cautious interest on sector-specific stocks at lucrative prices while the market lost 91 points in the last nine days, International Leasing Securities said in its daily market review.

The market started with a sideways movement that turned into an upward trajectory after the mid-session. Investors' reluctance had decreased trading activities, leading to low turnover for the last few weeks, it added.

Turnover, an important indicator of the market's liquidity, decreased 4 per cent to Tk 258 crore while it was Tk 269 crore on the previous day.

All the sectors achieved price appreciation except mutual funds, which dropped 0.07 per cent, whereas services rose 2.5 per cent, paper declined 2.2 per cent and IT fell 2.2 per cent.

Investor activity was mostly focused on the pharmaceutical (33.1 per cent), bank (7.3 per cent) and IT (6.8 per cent) sectors.

Islami Commercial Insurance posted the highest appreciation, rising 9.87 per cent. Meanwhile, Orion Infusion surged 8.7 per cent and eGeneraion Ltd advanced by more than 7 per cent. Tallu Spinning Mills suffered the sharpest

fall, sliding down by 1 per cent, while Renwick Jajneswar, Eastern Lubricants, and Libra Infusion also dropped by around 1 per cent each. Orion Infusion was the most traded stock with

shares worth Tk 23 crore being transacted. Orion Pharma, Monno Ceramic Industries, and Intraco Refueling Station also saw significant transactions. The Caspi, the all-share price index of the Chittagong Stock Exchange, increased by 15 points,

or 0.08 per cent, to end the day at 18,294 points. Of the securities transacted, 34 advanced, 25 declined, and 77 did not show any price movement.

Queen South Textile moves to cut costs

STAR BUSINESS REPORT

Queen South Textile Mills, a listed knitted, dyed and finished cotton producer, is going to install a salt recovery system that will reduce its production cost and improve profitability. The textile mill yesterday said that shareholders

auto dispensing and modernised salt recovery system during an annual general meeting on December 22. After the system is installed, the company's

of the company approved the installation of the

dyes, chemical, and water consumption costs will be reduced by about Tk 1 crore per month. This will directly help increase gross profit,

Queen South Textile Mills said in a disclosure. The cost associated with the installation of the auto dispensing and modernised salt recovery system is Tk 16 crore, it added.

Queen South Textile Mills has paid-up capital of Tk 143 crore in addition to a reserve and surplus of Tk 69 crore, according to data from the Dhaka Stock Exchange. Stocks of Queen South Textile remained the same at Tk 24.70 yesterday.

World economy to face more pain in 2023

This was supposed to be the comeback year for the world economy following the Covid pandemic. Instead, 2022 was marked by a new

war, record inflation and climate-linked disasters. It was a "polycrisis" year, a term popularised by historian Adam Tooze. Get ready for more gloom in 2023. 'The number of crises has increased

since the start of the century," said Roel Beetsma, professor of macroeconomics at the University of Amsterdam. "Since World War Two we have never seen

such a complicated situation," he told AFP. After the Covid-induced economic crisis of 2020, consumer prices began to rise in 2021 as countries emerged from lockdowns

and other restrictions. Central bankers insisted that high inflation would only be temporary as economies returned to normal. But Russia's invasion of Ukraine in late February sent energy and food prices soaring.

Many countries are now grappling with cost-of-living crises because wages are not keeping up with inflation, forcing households to make difficult choices in their spending.

in an effort to tame galloping inflation --

at the risk of tipping countries into deep recessions, since higher borrowing costs mean slower economic activity.

Inflation has finally started to slow down in the United States and the eurozone. **CAREFUL SPENDING**

Consumer prices in the Group of 20 developed and emerging nations are expected to reach eight percent in the fourth quarter before falling to 5.5 percent



next year, according to the Organisation for Economic Co-operation and Development. The OECD encourages governments to

provide aid to bring relief to households. In the 27-nation European Union, 674 billion euros (\$704 billion) have been earmarked so far to shield consumers from high energy prices, according to the Bruegel think tank. Germany, Europe's biggest economy and the most dependent on Russia energy supplies, accounts for 264 billion euros of that total.

One in two Germans say they now only spend on essential items, according to a Central banks have played catch-up. survey by EY consultancy. Rising interest They started to raise interest rates this year rates have also hurt consumers and businesses. READ FULL STORY ONLINE



Shankar Basak cultivated cauliflower on 0.75 acres of land in Gobindakanthi village of Khulna's Dumuria upazila, hoping to make sales of Tk 80,000 to Tk 90,000. The local markets are selling the winter vegetable for Tk 15 to Tk 18 per kilogramme. The photo was taken recently.