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SCAN FOR DETAILS

Worker outflow hits record high but remittance falls

JAMIL MAHMUD and MD ASADUZZAMAN

Bangladesh sent the highest number of migrant workers in its history in 2022 thanks to a surge in demand for labourers in the Middle Eastern countries but remittance receipts did not go up proportionately.

More than 11.35 lakh Bangladeshis left the country for jobs abroad last year, nearly doubling from 6.17 lakh migrant workers who flew abroad the previous year, data released by the Bureau of Manpower Employment and Training (BMET) showed.

Despite the surge, the country did not see a higher inflow of remittances, the cheapest source of foreign currencies for Bangladesh, and a vital source of household income for the lower-income groups in the country.

a three-month probation period after being employed in a host country. As a result, it takes three to six months for them to start sending money home.

He blamed the yawning gap in the dollar rates between the informal market and the banking channel for the slowdown in remittance flow.

"Bangladeshi migrant workers mostly earn \$200 to \$400 a month. So, if they find that the unofficial market offers Tk 10 to Tk 15 per USD more compared to the official platform, then they are most likely to take the service from the unofficial platform," he said.

The proprietor of Sadia

being the biggest employer as it hired 54 per cent of Bangladeshis who left the country in the year. Oman, the United Arab Emirates, Singapore, Malaysia, Qatar and Kuwait were among the top employers.

Workers were mainly hired in the service, construction and agriculture sectors last year.

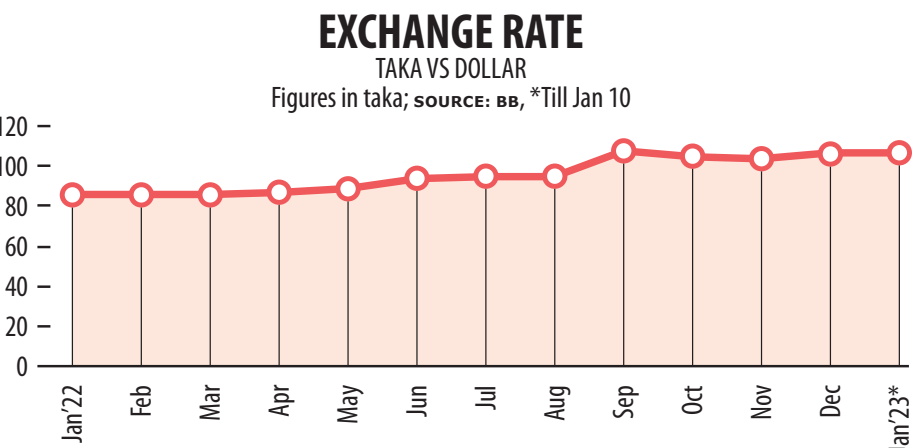
On average, the country sent five lakh to six lakh workers per year in the

in the case of the UAE as well.

"It gives a clear picture that remittances are sent through informal channels such as hundi. As per my analysis, a vast vicious cycle is working in these two countries."

In fact, hundi cartels account for half of the remittances that flowed to Bangladesh even before the pandemic. The dollar rate gap between formal and informal channels has driven the migrant workers towards the cross-border

Desperate, banks ignore own rates for collecting remittance



AKM ZAMIR UDDIN

In a desperate attempt at collecting the greenback to meet immediate requirements, a good number of banks are ignoring directives of two lenders' organisations to not offer over Tk 107 for each US dollar coming in as remittance.

The directive was a part of a consensus reached between Bangladesh Foreign Exchange Dealers' Association (BAFEDA) and the Association of Bankers Bangladesh (ABB) in September to follow multiple exchange rates.

Documents seen by The Daily Star showed that three banks were ignoring the directive, offering up to Tk 110 for each dollar availed from foreign exchange houses.

But senior bankers, on condition of anonymity, say that at least 15 to 20 banks were offering higher rates.

Economists say that these incidents reveal the volatility the still persists in the foreign exchange market and which would deepen further if appropriate policy measures were not immediately taken.

The market should be allowed to determine the exchange rate between the taka and the dollar, otherwise the volatility will not subside, they said.

The banks offering high rates are now getting more remittance than others, creating an uneven competition in the banking sector, said the bankers.

Although some banks have a strong network of agent outlets in rural areas, they are now getting lesser remittance than those offering the higher rates.

"Our remittance inflow is decreasing as we are following the BAFEDA's instruction," said an official of a bank having such a strong agent outlet network.

Contacted, Md Mezbaul Haque, spokesperson of Bangladesh Bank, said the central bank can hardly do anything to this end as the BAFEDA had fixed the rate.

The BAFEDA is an organisation of banks whose priorities include implementing foreign exchange related policies.

Haque thinks that the organisation should take steps against the errant banks

as the central bank had not set the rate.

He, however, said the central bank may talk to the BAFEDA about the matter.

A managing director of a bank said the BAFEDA does not have any authority to take steps against a bank.

Rather the central bank should identify steps that should be taken, he said.

Punitive measures against the errant banks will not be the solution, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"The dollar-strapped banks ignore the rate as they have to meet their immediate requirements for making import payments," he said.

The central bank should take measures to withdraw the multiple exchange rates with a view to restoring discipline in the foreign exchange market, he said.

As per the policy of the BAFEDA and ABB, exporters are allowed to get Tk 102 for each US dollar. Importers 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.

The two organisations took the decision to halt further depreciation of the local currency against the dollar.

The interbank exchange rate of the dollar stood at Tk 107 on January 10, which was 24 per cent higher year-on-year.

If the market determines the rates, there will be no distortion, said Mansur.

The country's foreign exchange reserves are still going down, which is not good for the economy. It had slipped to less than \$33 billion on January 9 after the central bank cleared international import bills.

The BB paid \$1.12 billion to clear payments for the country's imports from member states of Asian Clearing Union (ACU), an arrangement to settle payments for intra-regional transactions among member countries, including Bangladesh.

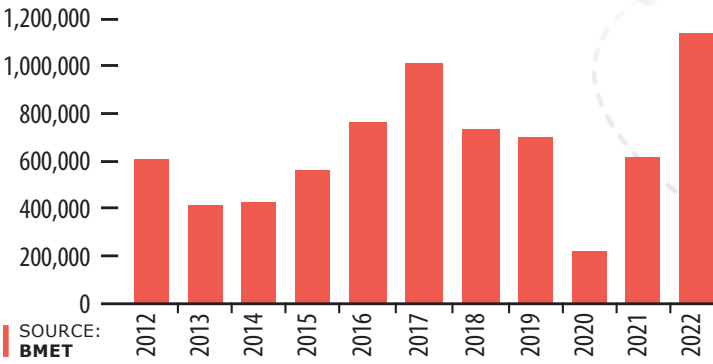
Volatility in the market was expected to subside had the import payments reduced, said Mansur, also a former high official of International Monetary Fund.

"But this has not happened. Required policy measures should be taken immediately, or else the reserves will decrease further," he said.

Multiple exchange rates can not be followed for long, said Monzur Hossain, research director of the Bangladesh Institute of Development Studies.

The exchange rates should be aligned with the market rate gradually and the central bank should closely monitor the market, he said.

OUTFLOW OF MIGRANT WORKERS



Rather, money transferred by workers through the official channel dropped 6.65 per cent to \$21.28 billion in 2022 from \$22 billion a year earlier.

The discrepancy – a record outflow of migrant workers and a fall in remittance inflow – comes at a time when Bangladesh faces a dollar crisis to pay for higher trade costs.

Analysts and recruiting agents blame the growing use of informal channels, also known as hundi, by migrant workers for the decline in remittances.

Shameem Ahmed Chowdhury Noman, secretary general of the Bangladesh Association of International Recruiting Agencies (Baira), said fresh Bangladeshi migrant workers usually undergo

International said the government should strike a balance of the dollar rate between the unofficial channel and the banking channel and suggested increasing the 2.5 per cent incentive to 5 per cent on remittance transfers.

"Otherwise, remittance inflow through formal channels will not see the expected jump."

In 2022, two-thirds of the migrant workers got jobs in the Middle East, with Saudi Arabia

past one decade and the number was around 7 lakh before the pandemic hit the country, BMET data showed.

Noman attributed the improving economic scenario from the lows of the pandemic for the rise in outbound migration.

"Normalcy has returned to most countries, so there will be more job opportunities for Bangladeshi workers," he said.

Prof Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, a think-tank, says although Saudi Arabia is the main destination for migrant workers, the rate of remittance from the Middle Eastern country is falling. The situation is the same

illegal money transfer system.

Although a lower number of workers went to Kuwait, the trend of remittance from the country is higher, according to Prof Rahman.

"The government should think about the matter seriously as the country's households are receiving the money, but the funds are not added to the foreign currency reserves."

Owing to lower remittance and moderate export earnings against escalated imports, the reserves declined from \$44.95 billion in early January of 2021 to \$32.52 billion this week.

READ MORE ON B3

Paper export doubles

SUKANTA HALDER

Bangladesh's export of paper and paper products have risen 123.35 per cent year-on-year in the first half of the current fiscal year thanks to the post-pandemic recovery and manufacturers' focus on finding new export destinations.

Export receipts of the six months amounted to \$95.08 million, according to the Export Promotion Bureau.

However, manufacturers and exporters say the industry can do even better with more policy support.

The US alongside countries in the Eurozone, Middle East and Africa are the major export destinations of locally produced paper and paper products, according to Bangladesh Paper Mills Association (BPMA).

China, India and some other countries were major players in the global market.

But many paper mills have been closed down, including nearly 1,200 mills in China, over pollution and environmental concerns, enabling Bangladesh to grab a bigger share, said AKM Nawsherul Alam, secretary to the BPMA.

Buyers are always on the lookout for good quality products at low prices and Bangladesh has been doing well in its manufacture of paper, tissue, toilet paper, facial tissue, napkin and diaper, he said.

Industry insiders said the exports began rising fast after the government offered a 10 per cent cash incentive on receipts in 2016.

Bangladesh has more than 100 mills with a combined annual production capacity of more than 15 lakh tonnes of products.

READ MORE ON B3



Bangladesh has been doing well in manufacturing paper and related products at low cost, which gives the country some competitive advantage in the international market, industry insiders say.

PHOTO: STAR/FILE

GRAFT CHARGES Why National Bank won't be penalised HC asks authorities to explain

STAR BUSINESS REPORT

The High Court yesterday asked authorities concerned to explain why appropriate legal measures should not be taken against National Bank and its board of directors over their alleged involvement in corruption and money laundering.

The money laundering allegedly took place through the issuance of a letter of credit (LC) by the bank for two dummy organisations.

Issuing a rule, the HC gave the respondents – officials concerned of the government, Bangladesh Bank and Anti-Corruption Commission – 10 days to provide the explanation.

The HC also asked the managing director of National Bank to submit in

READ MORE ON B3

China boosts coal output

REUTERS, Singapore

The increasing need to secure energy supplies after easing Covid-19 restrictions has pushed China to gradually resume Australian coal imports and urge domestic miners to boost their already record output.

The lifting of the unofficial ban on Australian coal imports, which were halted in 2020 in a fit of Chinese pique over questions on Covid's origins, is the clearest sign yet of the renewed ties between them.

The resumption is also a reminder of their economic interdependence as Australia's raw materials play a crucial role in fuelling the export-oriented economy of China, the world's biggest coal consumer and producer.

The decision came after the Chinese and Australian leaders met for the first time in six years at the G-20 summit in November, notably after a change in the Australian ruling party following elections in May. Australian Foreign Minister

Beijing's two-pronged approach to coal security comes as prices for power generation fuels and coking coal surged after Western sanctions disrupted Russian supplies

Penny Wong followed that meeting with a visit with her counterpart in Beijing last month.

Beijing's two-pronged approach to coal security comes as prices for power generation fuels and coking coal surged after Western sanctions disrupted Russian supplies after its invasion of Ukraine.

Chinese utilities and steelmakers will now have access to better quality Australian coal, while Australia, which used to be the second-largest coal supplier to China, could recover some of its market share lost to suppliers including Russia and Mongolia.

"This development may have stemmed from the thawing of relations between China and Australia given the new government in Canberra," said Pat Markey, managing director at consultancy Sierra Vista Resources.

"Many miners would welcome the opportunity to renew their commercial relationships in China for both metallurgical coal and thermal coal."

China's state planner this week allowed three central government-backed utilities and its top steelmaker to resume coal imports from Australia. Among them, China Energy Investment Corp has placed an order to import Australian coal which could load later this month.



A wholesale shop for jaggery, known as "gur" in Bangla, at Hatkhola in Barishal city where prices are now between Tk 130 and Tk 150 per kilogramme (kg). The product is made from boiling sap tapped from silver date palm or phoenix sylvestris. Each tree yields about 3kg to 7kg of sap every day during the winter months from November to February. It takes about 9kg of sap to make a single kilogramme of jaggery. Around 150 tonnes of the sap were produced around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken on Tuesday.

PHOTO: TITU DAS

DSE turnover exceeds Tk 500cr after a month

STAR BUSINESS REPORT

Stocks in Bangladesh continued to rise for a second consecutive day yesterday while turnover at Dhaka Stock Exchange (DSE) exceeded Tk 500 crore after one month.

The DSEX, the benchmark index of the DSE, rose 4 points, or 0.06 per cent, to 6,209.

The DS30, the blue-chip index, advanced 0.05 per cent to 2,198 while the DSES, the index that represents Shariah-based companies, increased 0.03 per cent to 1,357.

Turnover, an important indicator of the market, rose 15 per cent from that on the previous day to Tk 532 crore.

The stock market inched up and the turnover reached a four-week high as Beximco's sukuk turnover stood at Tk 49.98 crore, according to market insiders.

Bargain hunters showed interest in buying some oversold stocks at lucrative prices based on the regulator's assurance that the floor price and lending rate cap will prevail, said International Leasing Securities in its daily market review.

Among the sectors, travel rose 4.3 per cent and life insurance 1.2 per cent whereas



jute dropped 1 per cent, general insurance 0.4 per cent and ceramic 0.3 per cent.

The investors' activities were mainly focused on the pharmaceuticals sector, accounting for 17.1 per cent of the day's total turnover, followed by miscellaneous (14.8 per cent) and IT (12.6 per cent).

Among the companies the witnessed trade, 40 advanced, 127 declined and 167 remained unchanged.

Pragati Life Insurance posted the

highest appreciation, rising 7.48 per cent, followed by the Sea Pearl Cox's Bazar Beach Resort & Spa (5.40 per cent), JMI Hospital Requisite Manufacturing (4.93 per cent) and Popular Life Insurance and Bangladesh Shipping Corporation (over 3 per cent).

Kohinoor Chemical Company (Bangladesh) suffered the biggest fall, 11 per cent. Bangladesh Monospool Paper Manufacturing dropped 2.5 per cent while Monno Ceramic Industries and Orion Infusion also fell by more than 2 per cent.

Bangladesh Shipping Corporation was the most-traded stock on the day with shares worth Tk 41 crore changing hands. Bashundhara Paper Mills, Genex Infosys and JMI Hospital Requisite Manufacturing also saw significant transactions.

The Caspi, the all-share price index of Chittagong Stock Exchange, however, dropped 19 points, or 0.10 per cent, to end the day at 18,327.

Of the securities, 25 advanced, 48 declined, and 60 did not show any price movement.

Turnover remained almost the same at Tk 13.33 crore. It was Tk 13.30 crore in the previous session.

Ali becomes Pubali Bank's new MD

STAR BUSINESS DESK

Mohammad Ali has been appointed as the managing director and chief executive officer of Pubali Bank Limited by the board of directors.

Ali has been holding the position of additional managing director and chief operating officer of the bank since July 1, 2020, said a press release.

He joined Pubali Bank as general manager and chief technical officer in 2008.

Later he was promoted to the post of deputy managing director of the bank.

He did his graduation and post-graduation in computer science and engineering from the Bangladesh University of Engineering and Technology and obtained another master's degree in development studies from Dhaka University.

Incepta Pharma wins president's industrial award

STAR BUSINESS DESK

Drug maker Incepta Pharmaceuticals jointly secured the first position at the "President's Industrial Development Award 2020" in the large industrial sector category for its contribution to the national economy.

Abdul Muktedir, chairman and managing director of Incepta Pharmaceuticals, received the award and a certificate from Nurul Majid Mahmud Humayun, minister for industries, at a programme held at the Osmani Memorial Auditorium in Dhaka recently, said a press release.

"This appreciation will encourage us to go forward. All of our staff worked hard to get this prize," Muktedir said after receiving the prize.

"Incepta is producing high-quality life-saving drugs at low cost. Nowadays, we are exporting our products to 71 countries. We will expand our capacity and export the products to more countries," he said.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 11, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 58-Tk 75	-2.92 ↓	2.31 ↑
Coarse rice (kg)	Tk 46-Tk 52	-1.01 ↓	3.16 ↑
Loose flour (kg)	Tk 58-Tk 62	-4 ↓	71.43 ↑
Lentil (kg)	Tk 95-Tk 105	-4.76 ↓	2.56 ↑
Soybean (litre)	Tk 170-Tk 175	-2.82 ↓	21.05 ↑
Potato (kg)	Tk 22-Tk 25	-17.54 ↓	23.68 ↑
Onion (kg)	Tk 30-Tk 45	-16.67 ↓	-16.67 ↓
Egg (4 pcs)	Tk 40-Tk 45	14.86 ↓	18.06 ↑

SOURCE: TCB



Ali Reza Iftekhar, managing director of Eastern Bank, and Abul Kalam Azad, director of the agricultural credit department of Bangladesh Bank, exchanged signed documents of a participatory agreement on disbursement of agriculture loans at a maximum interest rate of 4 per cent under a refinance scheme worth Tk 5,000 crore for ensuring food security of the country at the latter's headquarters in Dhaka recently. Abdur Rouf Talukder, governor of Bangladesh Bank, and AKM Sajedur Rahman Khan, deputy governor, were present.

PHOTO: EASTERN BANK



Adil Chowdhury, president and managing director of Bank Asia, and Md Abul Kalam Azad, director of the agricultural credit department of Bangladesh Bank, exchanged signed documents of a participatory agreement on disbursement of loans at an interest rate of 4 per cent under a refinancing scheme of Tk 5,000 crore for food security of the country at the central bank's headquarter in Dhaka on Sunday. Abdur Rouf Talukder, governor of Bangladesh Bank, was present.

PHOTO: BANK ASIA

Bank Asia, BB sign deal on agri refinance fund

STAR BUSINESS DESK

Bank Asia Limited has signed a participatory agreement with Bangladesh Bank (BB) under a refinance scheme of Tk 5,000 crore for the agriculture sector aiming to ensure food security of the country.

In presence of Abdur Rouf Talukder, governor of Bangladesh Bank, Adil Chowdhury, president and managing director of Bank Asia, and Md Abul Kalam Azad, director of the agricultural credit department of Bangladesh Bank,

exchanged the signed documents of the agreement on behalf of their respective organisations at the central bank's headquarters in Dhaka on Sunday.

Under this agreement, Bank Asia will disburse agricultural credit to the marginal farmers at an interest rate of 4.0 per cent through its own network, said a press release.

AKM Sajedur Rahman Khan, deputy governor of the central bank, along with other high officials of Bangladesh Bank were also present.



Md Ahsan-uz Zaman, managing director of Midland Bank, and Md Abul Kalam Azad, director of the agricultural credit department of Bangladesh Bank, exchanged signed documents of a participatory agreement on disbursement of loans under a refinancing scheme worth Tk 5,000 crore for food security of the country at the latter's headquarters in Dhaka recently. Abdur Rouf Talukder, governor of Bangladesh Bank, AKM Sajedur Rahman Khan, deputy governor, and Md Ahsan Jamil Hossain, head of SME division of Midland Bank, were present.

PHOTO: MIDLAND BANK



Khondoker Rashed Maqsood, managing director of Standard Bank, and Md Abul Kalam Azad, director of the agricultural credit department of Bangladesh Bank, exchanged signed documents of an agreement on disbursement of loans at a maximum interest rate of 4 per cent under a refinancing scheme worth Tk 5,000 for food security of the country at the latter's headquarters in Dhaka recently. Abdur Rouf Talukder, governor of Bangladesh Bank, and AKM Sajedur Rahman Khan, deputy governor, were present.

PHOTO: STANDARD BANK



Syed Waseque Md Ali, managing director of First Security Islami Bank, and Md Abul Kalam Azad, director of the agricultural credit department of Bangladesh Bank, exchanged signed documents of a participatory agreement on disbursement of loans on easy terms and low profit rate under a refinancing scheme for food security of the country at the latter's headquarters in Dhaka respectively. Abdur Rouf Talukder, governor of Bangladesh Bank, and AKM Sajedur Rahman Khan, deputy governor, were present.

PHOTO: FIRST SECURITY ISLAMI BANK



Market analysis shows that 15 per cent to 20 per cent of mobile subscribers move from one operator to another or come back every month, said an official of a mobile operator.
PHOTO: HABIBUR RAHMAN

Mobile phone subscriber numbers decline

GP SIM ban took a toll on overall subscriber base

MAHMUDUL HASAN

The country's mobile subscriber base witnessed a decrease in November last year as top operator Grameenphone lost a big chunk of customers due to a SIM sales ban.

In November, the number of mobile subscribers decreased by 8 lakh from that in October to reach 18.08 crore, according to the latest data of Bangladesh Telecommunication Regulatory Commission (BTRC).

Grameenphone alone lost about 11 lakh customers, taking its total to 8.03 crore.

Earlier on June 29, the telecom regulator, on instruction from the posts and telecommunications division the previous day, banned Grameenphone's SIM sales until it "improves its quality of service including bringing down call drop rate".

The ban was finally lifted six months later on January 2 this year, with the regulator expressing satisfaction over "improvement of service quality".

Grameenphone lost about 37 lakh

customers in the first five months of the ban.

An official of Grameenphone said it took some steps to improve its service quality, for which its call drop ratio has dropped to 0.3 per cent while the average internet speed all over Bangladesh stands at 11Mbps.

On a year-on-year basis, the operator's subscriber numbers dropped by 4.40 per cent in November.

Third-place operator Banglalink continued to draw customers, with about 2 lakh joining its network month-on-month to take the total to 3.94 crore in November. The number had gone up by 9 lakh in October.

The operator said this was backed by its massive network expansion and utilisation of new spectrum from the 2.3 GHz band to ensure faster internet.

The growth momentum in mobile subscriber numbers had been prevailing over the last couple of months, it said.

"This happened due to our consistent efforts on network expansion and also

the broadcasting of the Fifa World Cup through the Toffee digital platform," said Ankit Sureka, head of corporate communications and sustainability.

Last year, the operator installed 4,000 base transceiver stations (BTS), popularly

In November, the number of mobile subscribers decreased by 8 lakh from that in October to reach 18.08 crore, according to the latest data of Bangladesh Telecommunication Regulatory Commission

known as mobile towers, taking its total to 14,000.

On a year-on-year basis, its subscriber numbers increased by 6.04 per cent in November.

Robi, the second largest operator, added about 60,000 customers month-on-month in November, taking its total to 5.43 crore.

Market analysis shows that 15 per cent to 20 per cent of subscribers move from one operator to another or come back every month, said Mohammed Shahedul Alam, chief corporate and regulatory officer.

"Value added tax and other taxes have increased for new connection sales in the current financial year. Besides, the minimum recharge amount has increased by Tk 10 to Tk 20 while the number of packages and offers has gone down," he said.

"So, many customers who kept their second or third connections active with low recharge amounts are either not using them at all or using them as the primary connection," he said.

"These factors have reduced the fierce competition in the sales of new connections," said Alam.

On a year-on-year basis, the number of subscribers of Robi increased 1.15 per cent in November last year.

State-owned Teletalk lost about 20,000 customers month-on-month in November.

Small businesses to get easy loans

FBCCI, Bengal Commercial Bank team up

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) teamed up with Bengal Commercial Bank yesterday to extend loan assistance to help cottage, small and medium entrepreneurs run their businesses.

FBCCI Secretary General Mohammad Mahfuzul Hoque and Managing Director of the Bengal Commercial Bank Tarik Morshed signed an agreement in this regard at the Dhaka office of the FBCCI, the federation said in a statement.

In 50 years of independence of Bangladesh, the contribution of the SME sector in the economy is not very large, but this sector has a great contribution in creating employment, FBCCI President Md Jashim Uddin said at the event.

The SME sector contributes around 40 per cent of the total employment of the country, he said.

The small entrepreneurs will be able to expand their businesses besides creating employments if they are provided with more financial support, he said.

"The non-governmental organisations have been collecting almost 100 per cent of the loans from rural areas even with high interest. If our banks show interest, it is possible to get money from small entrepreneurs easily. The SME entrepreneurs don't want to be defaulters."

The FBCCI president also urged the trade bodies to help small entrepreneurs to get loans on easy terms.

"We have already signed agreements with 15 associations to ensure that small and medium entrepreneurs get loans on easy terms," said Tarik Morshed.

"Last year, around 23 per cent of our disbursed loans went to the SME sector. We want to distribute at least 55 per cent to the SME sector this year," he said.

"That is why we have emphasised on setting up branches and sub-branches at the marginal level. We are going to open a new branch in Rangpur this month."

FBCCI Senior Vice President Mostofa Azad Chowdhury Babu also spoke.

STOCKS		
	DSEX ▲	CASPI ▼
	0.06%	0.10%
	6,209.52	18,327.79

COMMODITIES		
	Gold ▲	Oil ▲
	\$1,883.56	\$75.43
	(per ounce)	(per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▼ 0.01%	▲ 1.03%	▲ 0.26%	▼ 0.24%
	60,105.50	26,446.00	3,271.51	3,161.84



Md Mehmoos Husain, managing director of National Bank, and Syed Mohammad Kamal, country manager of Mastercard in Bangladesh, cut a ribbon to launch a LoungeKey™ programme at the former's head office in Dhaka recently to provide bank's Mastercard platinum cardholders the opportunity to access over 1,100 airport lounges in 120 countries. Syed Rois Uddin, Hossain Akhtar Chowdhury, deputy managing directors of the bank, and Sohail Alim, director of Mastercard, were present.
PHOTO: NATIONAL BANK



Chattogram-based steel manufacturing company GPH Ispat organised an annual dealer conference titled "GPH Maharaj Darbar-2022" at a convention centre in Dhaka recently. Attended by more than 300 dealers of the company and their family members, the two-day event was held in two phases, where top dealers were recognised as "Moha Bir" and "Bir Bahadur" with gifts. The board of directors of the company and top management were present.
PHOTO: GPH ISPAT

Worker outflow hits record high but

FROM PAGE B1

Prof Rahman suggested the central bank allow a market-oriented exchange rate and beef up surveillance and monitoring to rein in the transfer of remittances via informal channels.

The government should also break hundi cartels and raise awareness among the people at home and abroad by running campaigns about the importance of sending money through formal channels, added Rahman.

Tasneem Siddiqui, founding chair of the Refugee and Migratory Movements Research Unit, a think-tank focused on migration workers,

says the labour market has always had ups and downs.

"This year, the outflow of migrant workers grew as their demand rose. It's not such a way that we have developed a system or ensured technical assistance."

Siddiqui, also the chairperson of the political sciences department at the University of Dhaka, credited increased access to information and people's aspiration to elevate their social and economic status for the higher outflow of migrant workers.

"Bangladesh would reap the benefit of the higher outflow of migrant workers in the coming years."

She urged the government to raise

the incentive to at least 10 per cent at least for a few months.

The overall lack of skills for Bangladesh's workers is posing a threat to remittance earnings, said Sayema Haque Bidisha, research director of the South Asian Network on Economic Modeling.

"We need at least moderate skilled manpower to raise earnings," she said, adding that steps should be taken against hundi operators as they facilitate the illicit outflow of black money.

Prof Bidisha called for steps so that workers can send money to their beneficiaries directly through the mobile financial service.

Why National Bank won't

FROM PAGE B1

60 days relevant documents regarding the alleged LC issued in the names of Santana Enterprise and Inter-Asia Group PTE to import products.

The HC bench of Justice Md Nazrul Islam Talukder and Justice Khizir Hayat Lizu issued the rule and order following a writ petition filed by Supreme Court lawyer Chowdhury Hasan Mahmud Abdullah seeking necessary directives on this issue.

The writ petitioner's lawyer, Md Munsurul Hoque Chowdhury, told The Daily Star that National Bank's board of directors and their family members have reportedly misused their positions and powers.

They used dummy organisations Santana Enterprise and Inter-Asia Group PTE in the LC to launder money in the excuse of importing products from Singapore, he said.

Lawyer Shah Monjurul Hoque appeared for National Bank while Deputy Attorney General AKM Amin Uddin Manik represented the state during the hearing of the petition.



Farman R Chowdhury, managing director of Al-Arafah Islami Bank, and Md Abul Kalam Azad, director of the agriculture credit department of Bangladesh Bank, exchanged signed documents of an agreement on disbursement of agriculture loans under a refinancing scheme worth Tk 5,000 crore for food security of the country at the latter's headquarters in Dhaka recently. Abdur Rouf Talukder, governor of Bangladesh Bank, AKM Sajedur Rahman Khan, deputy governor, and Anwarul Islam, executive director, were present.
PHOTO: AL-ARAFAH ISLAMI BANK

Paper export doubles

FROM PAGE B1

Bashundhara, which pioneered paper mills among the private sector here, is the biggest exporter out of more than 20 mills that export writing paper, facial tissue, toilet paper and packaging materials to about 40 countries, according to industry insiders.

Bangladesh is doing very well in the competitive international market because of its lower prices, said Abdul Matin Khan, managing director of Lipy Paper Mills.

The opportunity is there to do

much better if more policy support is made available, he said.

Prices need to be more competitive, especially for the US and Eurozone markets, said an official of an exporting company requesting anonymity. One concern is a rise in the price of pulp stemming from low supplies. Bangladesh has to import some 90 per cent of the pulp it uses and at times it is not readily available, he said.

Now each tonne costs \$1,000 whereas six months ago it was around \$450 to \$500, said the official.

"That is why production is being hampered. Apart from this, there is a shortage of dollars," he added.

The government also needs to prevent the misuse of bonded warehouse facility by a section of businesspeople so that competitiveness is not lost in the local market, said the BPMA. Moreover, product prices are set to increase for a technical evaluation committee of Bangladesh Energy Regulatory Commission recommending raising power prices by 15.43 per cent on January 8, it said.

Global expos on RMG machinery begin in Dhaka

STAR BUSINESS REPORT

Four international trade shows on garment machinery and allied products began at the International Convention City Bashundhara in Dhaka yesterday.

Four shows spread over 11 halls with over 250 exhibitors in 650 stalls offer complete sourcing solutions for the garment sector.

These four exhibitions to be held over four days until January 14 will remain open to all from 10am to 7pm every day, the organisers said in a statement yesterday.

The tradeshow are: the 20th edition of GTB 2023 (Garment Technology Show Bangladesh 2023), the 12th edition of GAP Expo 2023 (International Garment Accessories and Packaging Expo) jointly organised with Bangladesh Garment Accessories Packaging Manufacturers and Exporters Association.

The maiden edition of the ITTF Bangladesh 2023 (India Textile Trade Fair Bangladesh 2023) jointly organised with South Gujarat Chamber of Commerce and Industry (SGCCI) and the International Yarn and Fabrics Expo are the other two events.

G7 seeks two price caps for Russian oil products

REUTERS, Brussels

The Group of Seven (G7) coalition will seek to set two price caps on Russian refined products in February, one for products trading at a premium to crude oil and the other for those trading at a discount, a G7 official said.

The coalition - which consists of Australia, Canada, Japan and the United States, plus the 27-nation European Union - introduced a \$60 per barrel price cap on Russian crude from December 5, on top of the EU embargo on imports of Russian crude by sea.

From February 5, the coalition will also impose price caps on Russian products, such as diesel, kerosene and fuel oil, to further reduce Moscow's revenue from energy exports and its ability to finance its invasion of Ukraine.



A retailer in the BRTC Market in the northern district of Bogura puts on display geysers, which are increasingly becoming a common household appliance in Bangladesh amid people's rising disposable income, lifestyle changes and an improvement to power supply. The photo was taken yesterday.

PHOTO: MOSTAFA SHABUI

Geyser sales surge as consumers look to beat winter blues

JAGARAN CHAKMA

The devices were only thought to be used by higher-income groups in Bangladesh, but as people's disposable income rises, lifestyle changes and the power supply improves consumers from the middle-income groups are turning to geysers to use warm water for a comfortable bath.

And a decade ago, local entrepreneurs correctly projected that the market of geysers will expand in Bangladesh if the devices are produced domestically since it would allow them to bring down prices. So, they ventured out to manufacture them.

Accordingly, the market size of geysers has shot to around Tk 60 crore, according to market insiders.

Sales surged to 120,000 units this season as cold weather is sweeping across the country. It was 80,000 units in 2021.

Investment in the segment will not be more than Tk 20 crore as the technology is simple and the price is far lower.

Pran-RFL Group, Walton, Tropica, Gazi, Shameem, and Ariston are among the local producers, with RFL being the market leader thanks to a 35 per cent share followed by Tropica, which controls 15 per cent of the market.

"In the past, people used to think that a geyser is a luxurious item. So, the middle-income groups did not want to use it," said Kamruzzaman Kamal, director for marketing of Pran-RFL Group.

"But the perception has changed and ordinary customers now understand the utility of the products."

Per capita income rose from \$776 in 2010



to \$2,824 in the last fiscal year, data from the World Bank and the government showed.

The massive improvement in the electricity situation has driven up the consumption of geysers in the last one decade.

More than a decade ago, the power supply was not reliable. But electricity generation has quadrupled in the past 12 years, with the government bringing all households under the electricity network.

"Now geysers are becoming popular among the rural people as well, as it gives them comfort and protects them from seasonal illnesses caused by cold in the winter season," said Kamal.

Over a dozen of companies manufacture brand and non-brand geysers and 90 per cent of the market is dominated by local firms thanks to competitive prices and quality services.

Locally made geysers can be bought at Tk

3,500 to Tk 6,500 while the imported ones are costing Tk 7,000 to Tk 16,000. Around 13 types of geysers are available, with the capacity ranging from 20 litres to 90 litres.

The peak season runs from November to February and the annual sales growth rate has been 40 to 45 per cent in the past eight to 10 years, market insiders say.

A local distributor of a global company that has a vast nationwide network sells 100 geysers every day in the Dhaka city and about 250 across the country.

"The sales are very good," said a senior executive of the company. The geysers are all imported from China.

Asit Kumar Singh, a technician in the capital's Uttara area, says he has installed 30 to 40 geysers a month this winter.

Faisal Mahmud, another technician, says he installs geysers at least five times a week in various parts of Uttara.

Augustin Gomes, product manager for home appliances at Walton, says the company has sold at least 22,000 units of geysers this winter.

"The demand for our products has gone up by around 80 per cent compared to last season."

He said the sales have increased as awareness about the usefulness of the device has grown among the people.

"Local companies are now providing quality products at competitive prices. People's lifestyle is changing and their affordability has gone up. The availability of electricity has increased."

However, the market of 120,000 units is still small compared to the size of the overall market of home appliance, he added.

Brac Bank to borrow \$50m from German institution

STAR BUSINESS REPORT

Brac Bank Limited will get \$50 million loan from a German development finance institution to support SMEs and women entrepreneurs in Bangladesh.

To this end, Brac Bank has signed an agreement with the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) to take the long-term loan, the bank said in a press release yesterday.

DEG supports private enterprises operating in developing and emerging market countries.

Brac Bank will use the fund to provide loans to local micro, small and medium enterprises. At least half of the fund is earmarked for businesses run by women.

Selim RF Hussain, managing director and chief executive officer of Brac Bank, said institutionalising SME banking and making it financially viable required strong governance and a customer-centric business model.

"Our organisation's dynamic culture and dedicated staff drive the company to its pinnacle. However, because this is our mandate, we are unwavering in our commitment to sustain the expansion of SME lending."

Monika Beck, member of DEG's management board, said, "With our financing, we are supporting the growth of a successful financial institution so that it can reach the important target group of small and medium-sized enterprises even better."

"Our support for Brac Bank in areas such as gender finance is a good example of how we are focusing even more specifically on further increasing our customers' positive developmental impact. At the same time, we are promoting greater participation of women in Bangladesh's economic life," Beck said.

Indonesia's crypto market braces for stricter regulation

ANN/THE JAKARTA POST

The Indonesian crypto market is unlikely to improve in 2023, with investors braced for another difficult year amid a new regulatory environment.

The global cryptocurrency market capitalisation evaporated by more than 60 per cent over the past year to around US\$800 billion, CoinMarketCap data show. Several crypto exchanges have filed for bankruptcy, including the most notable exchange FTX.

In line with this bearish trend, the transaction value of crypto assets in Indonesia fell by more than 65 per cent to around Rp 300 trillion (\$19.1 billion) in 2022, from Rp 859 trillion the previous year, Commodity Futures Trading Regulatory Agency (Bappebti) data show.

Bappebti expected the value of crypto assets, especially cryptocurrencies to continue declining this year, albeit at a much slower rate, as it has already gotten close to the bottom, but the agency noted it would take quite a long time before it could make a significant rebound.

"We will continue facing extraordinary challenges in cryptocurrencies in 2023," Acting Bappebti head Didid Noordiatmoko told an audience during a briefing on Wednesday.

Cryptocurrencies had attracted massive popularity in Indonesia and many parts of the world since the pandemic began.

In Indonesia, there were more than 16.5 million cryptocurrency investors as of November last year, surpassing total investors in the capital markets, which only numbered 10 million in the same month, authorities' data show.

Fairs to promote, connect SMEs

First divisional show begins in Rajshahi today

STAR BUSINESS REPORT

The SME Foundation is going to organise six divisional-level fairs to showcase the products produced by small and medium enterprises (SMEs).

As part of the initiative, the first exposition would kick off in the Rajshahi division today. The fair will take place at the Green Plaza of the office of the Rajshahi city mayor and continue until January 18.

After successfully holding the 10th National SME Products Fair 2022 in Dhaka, the SME Foundation is going to organise the exposition at the divisional level, said the agency in a press release yesterday.

The fairs aim to promote the products produced by SMEs across the country and create a network among SMEs, among other goals.

AHM Khairuzzaman Liton, major of the Rajshahi City Corporation, Md Masudur Rahman, chairperson of the SME Foundation, Md Mafizur Rahman, managing director of the foundation, Md Abdul Baten, deputy inspector

general of the Rajshahi Range of Police, Md Anisur Rahman, commissioner of the Rajshahi Metropolitan Police, Abdul Jalil, deputy commissioner of Rajshahi, and Masudur Rahman Rinku, president of the Rajshahi Chamber of Commerce and Industry, are expected to attend the opening ceremony.

Sixty SMEs would showcase and sell their products at the same number of stalls at the fair venue. The event would remain open to visitors from 10am to 9pm, said the press release.

As part of the fair, a seminar on how to develop SMEs in the Rajshahi division would be held on January 15. Besides, a workshop to bridge the gap between banks and SMEs on the availability of loans would take place on January 17.

The weeklong fair in Barishal would be held on February 1 to February 7 and in Sylhet from February 5 to February 11.

The Rangpur's divisional fair would be held in Dinajpur from February 12 to February 18. The SME Foundation also plans to organise similar expositions in Mymensingh and Khulna in March.



The divisional SME expositions aim to promote the products made by small businesses across the country and create a network among the SMEs. The photo was taken recently from the Dhaka International Trade Fair.

PHOTO: RASHED SHUMON