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Gold prices to cross Tk 93,000 per bhoori for first time

STAR BUSINESS REPORT

Gold is going to turn even pricier from tomorrow as Bangladesh Jewellers' Association (Bajus) is set to hike its rates for a third consecutive week.

From today, buyers will have to pay about Tk 93,400 to buy each bhoori (11.66 grammes) of 22 carat gold, up 3 per cent from that before, said a press release of Bajus yesterday.



It said the price of each gramme of 22 carat gold will be Tk 8,010 from today, a 3 per cent rise from Tk 7,780 yesterday.

It also raised the prices of silver.

Until yesterday, Bangladeshi customers could buy gold jewellery paying Tk 90,714 per bhoori, which was raised from Tk 88,382 per bhoori on December 30.

Bajus said prices of pure gold went up in the local markets. Under the circumstances, its standing committee on pricing and price monitoring at a meeting decided the new rates for gold and silver.

Global Innovation Index-2022

(Bangladesh's performance in various areas)

| Category | 2021 | 2022 |
|-------------------------|------|------|
| Overall | 116 | 102 |
| Institutions | 122 | 109 |
| Human capital research | 128 | 127 |
| Infrastructure | 95 | 94 |
| Market sophistication | 95 | 92 |
| Business sophistication | 122 | 125 |
| Knowledge, tech outputs | 92 | 95 |
| Creative outputs | 123 | 87 |



Performance of peer nations

| Country | Ranking |
|------------|---------|
| India | 40 |
| Indonesia | 75 |
| Sri Lanka | 85 |
| Pakistan | 87 |
| Cambodia | 97 |
| Bangladesh | 102 |
| Nepal | 111 |

GLOBAL INNOVATION INDEX

Bangladesh moves up 14 notches

MAHMUDUL HASAN

Bangladesh has advanced 14 spots in the Global Innovation Index (GII) 2022 in a major stride but it still lags behind some of its innovative peers.

The ranking by the United Nations' World Intellectual Property Organization (WIPO) placed the country at 102nd last year, up from 116th in 2021, among 132 economies.

Although Bangladesh's overall score was 19.7 compared to top-ranked Switzerland's 64.6, its performance was in line

with the level of the country's development, according to the report.

The lower ranking, however, highlights Bangladesh's weak

education system, lack of human capital and research, and shortfall in business sophistication.

The index uses various indicators to rank innovation.



They include measures on the political environment, education, infrastructure and knowledge creation.

Bangladesh performs relatively well in the creative output category, advancing to 87th place from 123rd a year earlier, driven by its solid progress in industrial design, global brand value, and mobile app creation.

In the institution category, Bangladesh moved up 13 notches to 109th and slipped one spot to 112th position in the political environment segment.

READ MORE ON B3

Monetary policy won't work if interest rate cap stays

Say economists

AKM ZAMIR UDDIN

By retaining the interest rate cap on lending and fixed exchange rate, the upcoming monetary policy for the second half of this fiscal year will not play any role in containing inflation, economists said.

If Bangladesh Bank continues to maintain its stance, there will be no other option but to inject a large amount of money from its coffers into the government which will subsequently create price instability in the market, said economists.

The central bank will unveil its monetary policy statement for the January-June period today at a time when the economy is struggling to tackle inflation. The key targets of any monetary policy are usually set to diffuse the price pressure.

Inflation stood at 8.71 per cent in December last

READ MORE ON B3

| STOCKS | | WEEK-ON WEEK |
|---------|-------|--------------|
| DSEX ▲ | 0.34% | 6,215.05 |
| CASPI ▲ | 0.29% | 18,353.04 |

| COMMODITIES | | AS OF FRIDAY |
|-------------|------------|--------------|
| Gold ▲ | \$1,920.38 | (per ounce) |
| Oil ▲ | \$80.03 | (per barrel) |

| ASIAN MARKETS | | | | FRIDAY CLOSINGS |
|---------------|-----------|-----------|----------|-----------------|
| MUMBAI | TOKYO | SINGAPORE | SHANGHAI | |
| ▲ 0.51% | ▼ 1.25% | ▲ 0.79% | ▲ 1.01% | |
| 60,261.18 | 26,119.52 | 3,293.75 | 3,195.31 | |

LUXURY

down to the last stitch

FLY BETTER

Relax in comfort in our 777 Business Class seat. Lie completely flat on the soft leather fabric and enjoy gourmet meals as you watch your favourite box-set on the 23-inch HD TV.

Emirates Business. Treat yourself



People go through a "Holiday Market" launched on an experimental basis at the parking space of ICT Road, located in Sher-e-Bangla Nagar of the capital's Agargaon, adjacent to Tourism Building and Election Commission Office on Friday. Dhaka North City Corporation and Oikko Foundation will jointly run the market every weekend with products of cottage, micro, small and medium entrepreneurs. The photo was taken in the afternoon yesterday. PHOTO: PALAISE: ISTAR

Nagad, Kurmitola General Hospital sign agreement

STAR BUSINESS DESK

Mobile financial service provider Nagad signed an agreement with Kurmitola General Hospital enabling patients to pay all medical bills using this digital platform.

Salary disbursements of class-4 contractual employees of the hospital and its other day-to-day transactions will also be made using Nagad.

Md Shafayet Alam, executive director of Nagad, and Brigadier General Md Fazlul Kabir, director of Kurmitola General Hospital, signed the agreement at the latter's office in Dhaka recently, said a press release.

"Patients coming to this hospital for treatment can quickly pay bills using Nagad without having to wait in queues. Ultimately, this will reduce the pressure in front of cash counters, which will eventually improve service quality," said Alam.

Mohammad Monirul Islam, general manager of key stakeholder relations of Nagad, Nakib Chowdhury, manager, AKM Mustafizur Rahman, deputy director of the hospital, and Lt Colonel Sheikh Sabbir Ahmed, assistant director, were present.

WEEKLY STOCKS

Index rises riding on a few securities

STAR BUSINESS REPORT

The stock index in Bangladesh rose last week although prices of most stocks remained unchanged as the floor price was in play.

It was set in a way such that it prevented the fall of all but 169 companies, which were allowed to incur a reduction of just 1 per cent. In contrast, it permitted every stock to rise by 10 per cent.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 21 points, or 0.3 per cent, last week from that in the preceding week to reach 6,215.

The D530, the blue chip index, advanced 0.3 per cent to 2,199 while the DSES, the index that represents Shariah-based companies, increased 0.3 per cent to 1,358.

Among the securities to undergo trade, 234 remained unchanged, 105 dropped while only 56 made gains.

As most stocks were not allowed to fall, the index rose with the gains of several stocks, said a market analyst.

With most stocks remaining either

unchanged or being able to move just slightly down, they could not influence the rise of the index, he added.

The Bangladesh Securities and Exchange Commission (BSEC) set the floor price of every stock at the end of July last year to halt the free fall of the market indices amidst global economic uncertainties.

The floor price was determined based on the average of closing prices of July 28 that year and the preceding four days. In effect, it prevented the stocks from incurring any reduction.

At the end of December, the BSEC lifted the floor price for 169 companies.

However, the circuit breaker was set in a way such that the companies' stock prices could not drop by over 1 per cent from that on their previous day's closing price.

However, the cap for increases remained unchanged at 10 per cent.

The benchmark index of the premier bourse closed the week on a moderately positive note, said International Leasing Securities in its weekly market review.

The market remained choppy as

bargain hunters showcased an appetite to make purchases of stocks at lucrative prices during the last three consecutive sessions of the week, it said.

The week opened amidst a gloom prevailing among the investors as they did not find the market going in any clear direction in the new year, it said.

Optimistic investors regained their confidence when regulators assured of retaining both the floor price and lending rate cap, said the brokerage firm.

Investors increased their participation in the market over the week riding on the assurances, it said.

Consequently, average turnover increased 87.24 per cent from that on the previous week to reach Tk 424.3 crore.

Among all the sectors, IT rose 6.4 per cent, paper 5.1 per cent and travel 4.8 per cent whereas jute dropped 4.8 per cent, tannery 0.9 per cent and food 0.7 per cent.

The Caspi, the all-share price index of Chittagong Stock Exchange, rose 54 points, or 0.3 per cent, to end the day at 18,353.

Parvez re-elected as BCI president

STAR BUSINESS DESK

Anwar-ul Alam Chowdhury Parvez has been re-elected the president of the Bangladesh Chamber of Industries (BCI) for another two-year term.

Priti Chakraborty and Mohammed Younus have been elected as senior vice-president and vice-president respectively.

Abdul Haque, chairman of BCI election board, declared the result at the BCI office in Dilkusha, said a press release.

Parvez is the chairman of Evince Group and a former president of BGMEA.

Priti is the chairman of Universal Medical College & Hospital and a director of FBCCI, while Younus is the managing director of Younus Group and chairman of Shahjalal Islami Bank.



Premier Bank logs Tk 1,024cr profit

STAR BUSINESS REPORT

Premier Bank Limited's operating profit rose 20 per cent year-on-year to Tk 1,024 crore in 2022. The profit was Tk 852 crore in the previous year.

HBM Iqbal, chairman of Premier Bank, disclosed it at the bank's "Business Conference 2023" at the Renaissance Gulshan yesterday, said a press release.

"I believe if the success continues, it will positively impact our position in the banking industry in 2023."

"In our 23 years of prosperity, Premier Bank has continued to strive for excellence in modern and digital banking services empowered by the trust and love of our valued customers and stakeholders," Iqbal added.

M Reazul Karim, managing director and CEO, said despite a very challenging year for the entire global economy, Bangladesh has grown to become the 35th largest economy in the world as per the latest report by the International Monetary Fund.

| PRICES OF KEY ESSENTIALS IN DHAKA CITY | | | |
|--|----------------------|----------------------------|--------------------------|
| | PRICE (JAN 14, 2023) | % CHANGES FROM A MONTH AGO | % CHANGE FROM A YEAR AGO |
| Fine rice (kg) | Tk 58-Tk 72 | -5.11 ↓ | 0 |
| Coarse rice (kg) | Tk 46-Tk 52 | -4.85 ↓ | 3.16 ↑ |
| Loose flour (kg) | Tk 58-Tk 62 | -4 ↓ | 66.67 ↑ |
| Lentil (kg) | Tk 95-Tk 105 | -4.76 ↓ | -2.44 ↓ |
| Soybean (litre) | Tk 170-Tk 175 | -2.82 ↓ | 21.05 ↑ |
| Potato (kg) | Tk 22-Tk 25 | -9.62 ↓ | 23.68 ↑ |
| Onion (kg) | Tk 30-Tk 45 | -25 ↓ | -6.25 ↓ |
| Egg (4 pcs) | Tk 40-Tk 42 | 10.81 ↑ | 12.33 ↑ |

SOURCE: TCB



Mohammed Monirul Molla, managing director of Islami Bank Bangladesh, and Md Abul Kalam Azad, director of the agriculture credit department of Bangladesh Bank, exchanged signed documents of an agreement on disbursement of loans under an agriculture 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, and AKM Sajedur Rahman Khan, deputy governor, were present. PHOTO: ISLAMI BANK BANGLADESH

Abdul Monem Ltd

FROM PAGE B4

use of technologies has given the construction sector an industrial shape.

"Today, we carry out 70 per cent of the construction by mechanised means and 30 per cent manually."

He said the group has implemented many interesting and technology-driven infrastructures.

"We have learned to use technologies as we progressed from project to project. We can work shoulder to shoulder with any construction company in the world."

AML expects to receive an increased flow of investments at its economic zone in Munshiganj's Gazaria after getting gas connection and adequate electricity supply and building the boundary wall.

In his interview, Mainuddin also talked about the challenges it faced after the demise of Abdul Monem in June 2020 and the group's future plans.

"We have been able to win the

confidence of our stakeholders slowly," he said.

The group employs 6,000 people directly at its 12 concerns and plans to diversify its business in order to raise its annual turnover by two and a half times to over Tk 10,000 crore after five years from around Tk 4,000 crore now.

The group wants to make a foray into the agro-processing sector and aims to carry out bigger tasks in the construction sector.

AML aims to look into its business process to improve transparency, focus on managing risk in a prudential manner, and take initiatives to ensure environmental, social, and governance (ESG) criteria.

"We have a responsibility to the environment. We try to use the technologies that are best suited to ensure environmental compliance. We are focusing on the localisation of concepts and trying to use indigenous materials."

US eyes

FROM PAGE B4

Congressional lawmakers have found themselves gridlocked over raising the debt limit, with some Republican policymakers pushing for it to be used as leverage in hopes of gaining spending cuts.

If the Democratic-controlled Senate and Republican-controlled House cannot come to an agreement, the world's largest economy could risk defaulting on its debt.

"Failure to meet the government's obligations would cause irreparable harm to the US economy, the livelihoods of all Americans, and global financial stability," Yellen warned.

"It is therefore critical that Congress act in a timely manner to increase or suspend the debt limit," she urged.

House Speaker Kevin McCarthy told reporters on Thursday that "we've got to change the way we are spending money wastefully in

this country." But the White House rebutted that raising the debt ceiling was not up for "negotiation."

President Joe Biden's press secretary, Karine Jean-Pierre, said the process was not meant to be "political football." White House deputy press secretary Andrew Bates charged that House Republicans were "telling the country that they will cause the most egregious self-inflicted economic meltdown in modern history unless they can hurt the most popular programs in existence." /- "Enormously concerning" /-The debt limit refers to the amount of money the US government is allowed to borrow to meet existing legal obligations, including Social Security and Medicare benefits.

America spends more money than it collects through taxation, so it borrows money via the issuing of government bonds, seen as among the world's most reliable investments.



Morshed Alam, chairman of Mercantile Bank, attends the bank's "Annual Strategic Business Conference-2023" at InterContinental Dhaka yesterday. Md Quamrul Islam Chowdhury, managing director, presided over the conference, where ASM Feroz Alam, vice-chairman, Md Anwarul Haq, chairman of executive committee, M Amanullah, chairman of risk management committee, and Mati Ul Hasan, additional managing director of the bank, were present. PHOTO: MERCANTILE BANK



Alamgir Kabir, chairman of Southeast Bank, attends the bank's "Agent Banking Conference" at its head office in Dhaka recently. Nuruddin Md Sadeque Hussain, managing director (current charge) of the bank, was present. PHOTO: SOUTHEAST BANK

China imports, exports

FROM PAGE B4

China's trade surplus in December nevertheless reached \$78 billion, but still well below July's record \$101.2bn.

China will unveil its 2022 economic growth figure on Tuesday, along with a host of other indicators. The previous year gross domestic product grew more than eight per cent.

Beijing had set itself a growth target of around 5.5 per cent for 2022, but that has been undermined by the stilling zero-Covid health policy that was in place for most of the year.

Larry Hu, an analyst for the Macquarie investment bank, said: "For the whole year of 2023, the weak global economic environment could be a major downside risk to the Chinese economy." And Zhiwei Zhang of Pinpoint Asset Management wrote in a note: "Both the weakening global demand and the wave of Covid outbreak likely contributed to this decline."

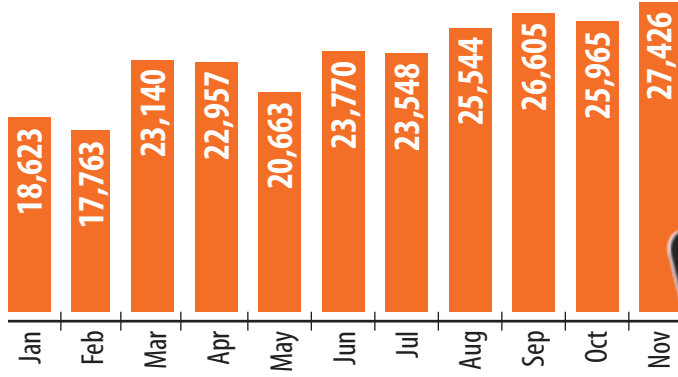
"The weak export growth highlights the importance of boosting domestic demand as the key driver for the economy in 2023."



Cricketer Shakib Al Hasan inaugurates international sportswear brand Puma's showroom launched by the brand's Bangladesh distributor DBL Group at Lalkhan Bazar in Chattogram on Thursday. Abdul Wahed, chairman of DBL Group, MA Jabbar, managing director, MA Rahim, vice-chairman, MA Quader, deputy managing director, and other high officials of DBL Group and Puma were present. (Story on B4) PHOTO: DBL GROUP

Internet banking transactions

In crore taka; SOURCE: BB



NUMBER OF INTERNET BANKING CUSTOMERS

Nov '21: **4,306,170**
Nov '22: **6,127,001**

ELECTRONIC FUND TRANSFER BY BANKS (In crore taka)

Nov '21: **38,178**
Nov '22: **40,457**

REAL-TIME GROSS SETTLEMENT BY BANKS (In crore taka)

Nov '21: **277,562**
Nov '22: **461,218**



Internet banking transactions surge in November

MD FAZLUR RAHMAN

Internet banking transactions rose more than 61 per cent year-on-year to Tk 27,426 crore in November in Bangladesh as an increasing number of people are opting for digital technologies to carry out financial transactions, official figures showed.

This compared to Tk 17,009 crore registered in the same month a year earlier, according to data from the Bangladesh Bank.

Internet banking, popularly known as online banking, was introduced in Bangladesh two decades ago. But the pace has been accelerated by the coronavirus pandemic since consumers were compelled to turn to internet to access finances from the conveniences of their homes in a bid to avoid catching the deadly virus.

Internet banking customers have

nearly tripled since March 2020 to 61.27 lakh in November last year.

In the third month of 2020, when the pandemic struck the world, the number of internet banking customers was 26.49 lakh in Bangladesh. It was up more than 42 per cent from 43.06 lakh in November last year.

Transactions worth Tk 6,588 crore were processed through digital platforms in March three years ago.

Local banks transacted Tk 40,457 crore using the Bangladesh Electronic Funds Transfer Network (BEFTN) in November, up from Tk 38,178 crore, an increase of 6 per cent year-on-year.

Incepted in 2011, the BEFTN was the country's first paperless electronic inter-bank funds transfer system. It facilitates both credit and debit transactions, as a lead over the cheque clearing system.

The network can handle credit transfers such as payroll, foreign and domestic

remittances, social security payments, company dividends, bill payments, corporate payments, government tax payments, social security payments, and person-to-person payments.

It accommodates debit transactions like utility bill payments, insurance premium payments, club or association payments, and equated monthly instalment payments. Most of the government salaries, social benefits, social safety net payments and other government payments are processed through the BEFTN as well.

Tk 461,218 crore was transacted through the real-time gross settlement (RTGS) of the central bank, an increase of more than 66 per cent from Tk 277,562 crore a year earlier.

In order to facilitate real-time settlement of high-value time-critical payments, the BB introduced the RTGS system in 2015. It allowed banks

and corporates to settle payments instantly. Individual customers are also availing the service to settle large-value transactions.

An amount worth Tk 1 lakh and above is settled through the RTGS system while the BEFTN processes an amount less than that.

Non-bank financial institutions settled funds through the RTGS to the amount of Tk 23,169 crore in November, central bank data showed. It was Tk 17,825 crore in June, the latest for which data is available on the central bank website.

For individuals, the maximum value of each transaction is Tk 3 lakh through internet banking. The frequency is a maximum of 10 times a day and not more than Tk 10 lakh per day.

For corporate, the limit has been set at Tk 5 lakh per transaction. The maximum frequency is 20 times while a total of Tk 25 lakh could be transacted per day.

Power tariff hike to weigh on private sector: DCCI

STAR BUSINESS REPORT

The recent retail electricity tariff hike will ultimately create an additional economic burden on the smooth operations of the private sector and power intensive industries, according to the Dhaka Chamber of Commerce and Industry (DCCI).

The tariff hike came at a time when the private sector was struggling with high inflation and devaluation of local currency along with other challenges, the chamber's President Md Sameer Sattar said.

The government was compelled to take such a decision due to volatile international energy prices, he said in a statement released by the DCCI.

However, the DCCI president hopes the government will continue to adjust the tariff rationally in order to minimise the adverse impact on the private sector and local industries.

The government is working on a plan to introduce a system for adjusting power and energy prices every month, Sattar said.

The electricity price hike should be competitive, predictable and gradual so that the private sector can avoid any sudden price shock, he said.

Since price hike is inevitable given the current situation, it is important that a predictable price hike policy is put into place such that the private sector can make necessary planning for their businesses, he said.

Through this, the private businesses will be able to take considered decisions as to how they will strategise their businesses for the days to come, the DCCI chief added.

Along with this, the government should be prepared to bring the power prices down once the challenges are over as it should not be a one-way road, he suggested.

Since Bangladesh is highly dependent on energy import, Sattar also urged the government to explore renewable and alternative energy sources and more importantly, prioritise local gas exploration.

To deal with any power shortage, the government should regularly check the efficiency of all power plants and minimise any system loss.

India's forex reserves slip

REUTERS, Mumbai

India's foreign exchange reserves fell to \$561.58 billion in the week through January 6, the Reserve Bank of India's (RBI) statistical supplement showed on Friday.

For the week ended December 30, the country's reserves were at \$562.85 billion, down from \$633.61 billion at the end of 2021.

The central bank has been intervening in the spot and forwards market to protect the rupee and prevent a rapid depreciation. The central bank, in the past, has said that changes in reserves also stem from valuation gains or losses.

The rupee was little changed in the week to January 6 after trading in a narrow range. However, for the current week ending January 13, it appreciated 1.7 per cent against a subdued dollar.

Qatar, UAE energy ministers say gas will be needed for long time

REUTERS, Abu Dhabi

The world will need natural gas for a long time and more investment is required to ensure supply security and affordable prices during the global energy transition, the energy ministers of Qatar and the United Arab Emirates said on Saturday.

Saad al-Kaabi, Qatari state minister for energy, told the Atlantic Council Global Energy Summit that a mild winter in Europe had seen prices come down, but that volatility would remain "for some time to come" given there was not much gas coming into the market until 2025.

"The issue is what's going to happen when they (Europe) want to replenish their storages this coming year and the next year," he said.

Kaabi later told reporters that Qatar, which is working to expand its gas output, has limited volumes going to Europe that it would not divert away, "but there is a limit to what we can do".

Qatar is one of the world's top producers of liquefied natural gas (LNG). The UAE is an OPEC oil producer that is sharpening its focus on the gas market as Europe seeks to replace Russian energy imports after supply cuts since Western sanctions were imposed on Moscow over its invasion of Ukraine.

The Qatari minister said he believed that Russian gas would eventually return to Europe.

UAE Energy Minister Suhail al-Mazrouei, speaking on the same panel in Abu Dhabi, agreed that "for a very long time, gas will be there" and that while more renewable energy would be installed, more investment was needed in gas as a base load.

"The whole world needs to think of resources and how to enable companies to produce more gas to make it available and affordable," Mazrouei said.

Monetary policy won't work if interest rate cap stays

FROM PAGE B1

Inflation in the country came down to 8.85 per cent last November after surging to a 10-year high of 9.52 per cent in August.

The government has set an inflation target of 5.6 per cent for FY23 in its fiscal budget.

"Inflation is still higher, and there is a probability to stoke it further..." said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

If the central bank wants to control inflation, it will have to withdraw the 9 per cent cap on interest for lending, he said.

The banking sector has been following the cap since April 2020 as per the instruction of the central bank.

Although the central bank frequently claimed that it had imposed the cap to ensure smooth supply of credit to entrepreneurs, such a cap hardly plays any positive role in gearing up the economic activities, he said.

Macroeconomic stability is much more important than following a fixed interest rate cap, he said.

He said business associations, including the Federation of Bangladesh Chambers of Commerce and Industry, have compelled the central bank not to withdraw the interest rate cap.

If the commoners, including businesses, do not get a good return from banks, they will not bring their money to the country, said Mansur, also a former high official of the International Monetary Fund.

This ultimately creates pressure on the foreign exchange regime, which has been facing volatility since the second half of last fiscal year.

Remitters will feel encouraged to send more money to the country if they enjoy a better return from banks, he said.

"This is also applicable to the exporters. Some exporters may not repatriate their earnings to the country due to the lower interest rates offered by banks," he said.

In addition, many individuals and businesses now invest their funds in unproductive sectors, such as land

Inflation in the country came down to 8.85 per cent last November after surging to a 10-year high of 9.52 per cent in August. The government has set an inflation target of 5.6 per cent for FY23 in its fiscal budget

and gold, as they are not getting their desired returns on keeping money in banks, Mansur said.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, said the central bank has been unable to independently draw up a monetary policy as it has to inject money rampantly to fulfill the government's wishes.

The monetary policy is now dominated by the fiscal policy since the central bank has to provide printed or high-powered money as per the government's wish, he said.

The central bank should be empowered to control government borrowing to implement an independent monetary policy, he added.

Between July 1 and December 29 this fiscal year, the government took Tk 66,000 crore in loans from the central bank.

On top of that, the government

has so far injected around \$8 billion into the market to help banks clear import bills.

The foreign exchange reserves of Bangladesh stood at \$32.52 billion on January 11 in contrast to \$44.92 billion on the same day a year ago.

The central bank should allow the market forces to determine the exchange rate of the taka against the dollar to restore discipline in the foreign exchange market, Hussain said.

If the issues are not addressed, the upcoming monetary policy will not be able to play an effective role in solving the ongoing problems in the financial sector, he said.

MFS transactions slightly drop

FROM PAGE B4

The transactions were in the form of cash-in, cash-out, person-to-person, merchant payments, government-to-person transfers, salary disbursements, talktime purchases and utility bill payments.

Daily transactions hover at around Tk 3,000 crore. With October having 31 days and November 30, the monthly volume understandably decreased, said Zahedul Islam, head of corporate communications and external affairs at Upay.

He said the G2P payments follow a cycle and October could have been a month for scheduled disbursements.

Durga Puja was also held in October, which could have enabled the transaction amount to be slightly higher, Islam added.

The MFS providers are Rocket, bKash, Nagad, MYCash, Islami Bank mCash, Trust Axiata Pay, FSIBL FirstPay SureCash, Upay, OK Wallet, Rupali Bank SureCash, TeleCash, Islamic Wallet and Meghna Bank Tap n' Pay.

Bangladesh moves

FROM PAGE B1

It advanced one spot in the human capital and research segment to 127th and its ranking was unchanged at 129th in the education segment.

In the business sophistication category, the country fell three spots to 125th as Bangladesh performed poorly in the FDI net inflow, intellectual property payments, and university and industry research and development collaboration.

Apart from Bangladesh, Myanmar (116th) and Ethiopia (117th) have made the most progress in the rankings, rising between nine and 14 positions overall, said the report.

Relative to 2021, 27 economies switched performance groups in 2022: four economies raised their performance status from below expectation to matching expectation, namely Sri Lanka (85th), Bangladesh, Ethiopia, and Yemen (128th).

Sri Lanka, Pakistan (87th) and Bangladesh jumped up the ranking notably this year, the report said.

Only Pakistan has steadily gained its position over time. It was ranked 133rd in 2012. Sri Lanka has gone through ups and downs in the ranking and this year reclaimed the 85th position it first held in 2015.

According to the 15th edition of the GII, Bangladesh's improvement came on the back of solid performance in online creativity and corporate intangible asset intensity.

AKM Fahim Mashroor, chief executive officer of Bdjobs.com, an online job portal, says he was not surprised by the poor ranking of Bangladesh in the GII.

"We have seen a gradual deterioration in education standards in the last few decades. Local universities are also ranked very lowly compared to their peers even in the neighbouring countries. Education quality is the major factor for innovation ranking among the nations."

"Unless we improve in such innovation rankings, we will not

be able to attract venture capital investment in the startups and technology sectors."

Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, described the 14-spot upward movement as a positive development.

"However, we are still at the lower levels in terms of innovation. Our position is not promising."

He said Bangladesh is at the bottom of the South Asian countries except for Nepal.

"The culture of innovation has not developed in our country," he said, adding that none of the critical components of the culture for innovation — logistics, infrastructure, human capital and proper innovation ecosystem — has been built.

Although there is some innovation in ICT, the developments are sporadic, according to the economist.

"We need a whole innovative society approach. Our thinking and preparation are yet to be found in this regard."

Moazzem pointed out that the government has policies towards a digital and smart economy and has spent a lot in the area.

"So, we need to assess why those efforts haven't made any significant contributions to innovation," he added.

Switzerland is the most innovative economy in the world in 2022 — for the 12th year in a row — followed by the United States, Sweden, the United Kingdom and the Netherlands, according to the 2022 edition of the Index.

China moved up to 11th place, overtaking France and for now, it firmly remains the only middle-income economy within the GII top 30.

Turkey and India have entered the top 40 for the first time.

Iran made a big leap, reaching the 53rd position and Indonesia took a big jump into the top 80.

Puma expands footprint

Flagship showroom opens in Chattogram

STAR BUSINESS REPORT

International footwear and apparel brand Puma has expanded its footprint in Bangladesh by launching a flagship showroom in port city Chattogram.

With the new one, the total number of showrooms of Puma in Bangladesh rises to four. The brand has three outlets in Dhaka, launched by DBL Group, the franchise partner of Puma in Bangladesh.

Bangladeshi cricketer Shakib Al Hasan inaugurated the Puma showroom in Lalkhan Bazar area of Chattogram on Thursday, said a press release.



"It is a matter of great joy for the people of Chattogram that a world-class brand like Puma has started its journey here. I believe they will like Puma products just the way I like them," Shakib said.

MA Jabbar, managing director of DBL Group, said DBL is walking towards the goal of

giving the people of the country the experience of an international sportswear brand.

"We are hopeful that after Dhaka we will be able to offer the best products of Puma to the people of Chattogram," he added.

Products such as shoes, t-shirts, polo shirts, backpacks, travel bags, handbags, jackets, caps, trousers and water bottles are available for sale at the new outlet.

Puma entered the Bangladesh market with the launch of its first flagship store in Banani, Dhaka in 2019. Later, DBL opened two other outlets in Dhanmondi and Bashundhara in 2021.

DBL Group Chairman Abdul Wahed, Vice-Chairman MA Rahim, Deputy Managing Director MA Quader and other high officials of DBL and Puma were present at the event.

China imports, exports plunge in December

AFP, Beijing

China's exports in December fell at their fastest pace since 2020, according to official data Friday, owing to a drop in global demand and after health restrictions hit economic activity at home.

The world's second-largest economy is still reeling from the effects of years of its zero-Covid policy, which hammered businesses and supply chains, and dampened consumption.

China began lifting most of the hardline measures at the beginning of last month, but the country has since seen a massive spike in Covid-19 infections.

Exports fell 9.9 percent year-on-year to \$30.6 billion, China customs said, their second consecutive month of decline and the biggest fall since the early days of the pandemic in 2020. That followed a fall of 8.7 percent in November.

Imports had been the main driver of China's economy since 2020, when the global shutdown led to strong demand for Chinese goods such as medical products, and then as the rest of the world reopened.

The uncertainties linked to Covid and the economic slowdown in China are having an impact on the need for foreign products.

Imports were down again in December, sinking 7.5 percent, following a 10.6 percent drop the previous month. Both imports and exports dropped much more than forecast in a survey of economists by Bloomberg.

For all of 2022, the Asian giant's exports rose 7.0 percent, compared with a 29.9 percent jump in the previous year.

Imports for 2022 were up 1.1 percent, against a 30.1 percent rise in 2021 when activity in China was recovering from the first wave of the pandemic.

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MFS transactions drop in November

SUKANTA HALDER

Transactions through mobile financial services (MFS) have decreased slightly in November last year compared to that in the preceding month, showed the latest data of Bangladesh Bank (BB).

The amount dropped by Tk 887.7 crore to around Tk 92,125 crore.

"One of the main reasons...is a reduction in government-to-person (G2P) payments," said Muhammad Zahidul Islam, head of communication at Nagad.

In October, the G2P amount was Tk 1,418.7 crore and it came down to Tk 219.3 crore in November.

Still the MFS industry did well on other parameters, Islam said.

November's transaction amount was a rise of over 17 per cent year on year.

Customers' financial behaviour is changing gradually and their digital consumption is also increasing, said Shamsuddin Haider Dalim, head of corporate communications, bKash.

However, due to different situations and certain festivals and events, the overall transaction amount may change slightly from time to time, which is a common phenomenon in the MFS industry, he said.

He said in November, transactions over some MFS services have increased.

This includes merchant payments which offers the convenience of cashless transactions, diversity of online and offline payment points and availability of a maximum number of merchants, Dalim added.

Transactions through the MFS had reached Tk 94,293 crore in June, when Eid-ul-Azha was celebrated.

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Abdul Monem Ltd, one of the leading infrastructure developers in Bangladesh, constructed the Dhaka metro rail's 3.2km viaduct and three stations from Agargaon to Karwan Bazar under joint ventures with foreign companies. The government launched the country's first metro rail partially on December 28.

PHOTO: AMRAN HOSSAIN

Abdul Monem Ltd goes from strength to strength

SOHEL PARVEZ

Bangladesh launched its first metro rail on December 28. Albeit it is running on a limited scale at present, it holds the promise of offering a fast-commuting experience to thousands of people every day and contributing to ridding the capital city of notorious traffic congestion.

The 21.26-kilometre elevated



ASM Mainuddin Monem

ABDUL MONEM LTD AT A GLANCE

Established in 1956

Business concerns: 12

Annual turnover: Around Tk 4,000cr

Direct jobs: 6,000

Indirect jobs: 4,000

Areas of business:

Construction, dredging, ice-cream, beverage, auto bricks, bitumen, sugar refinery, rice bran oil, business processing outsourcing, and economic zone

metro rail is being built at Tk 33,500 crore with the majority of finances coming from the Japan International Cooperation Agency.

Contractors from Japan, Thailand, China, and India are implementing most of the project. One Bangladeshi company, Abdul Monem Ltd (AML), stands out as well.

from scratch nearly seven decades ago when its founder Abdul Monem decided to bet on the streets of Dhaka, the then capital of East Pakistan, after coming from his home district Brahmanbaria.

Using Tk 20,000 proceeds from a partnership, he set up AML in 1956. And the company went on to execute some challenging infrastructure projects in Bangladesh. One of them was the 44km Khulna-Mongla highway built in 1984.

It did not stop there. Rather, it diversified to other sectors.

It has become the bottler of Coca Cola, the producer of ice-cream, dairy products, food items, snacks, and pharmaceuticals. It is a maker of auto bricks, bitumen and construction materials. It runs the country's first private economic zone.

Recently, it constructed the approach road of the much-cherished Padma Bridge, the largest bridge project in Bangladesh.

It repaired the runway of the Hazrat Shahjalal International Airport in Dhaka and the Osmani International Airport in Sylhet and built the Modhumoti Bridge, the first six-lane bridge in the southwestern district of Narail.

"We, the Bangladeshis, have constructed these," said Mainuddin.

AML has progressed with the advancement of Bangladesh, he said.

"We have footprints on the remarkable milestones of Bangladesh."

According to Mainuddin, 80 per cent of the construction work was manual in the early days. The

READ MORE ON B2

Evolving role of relationship managers

MAMUN RASHID

I am grateful to each of the seniors at ANZ, Standard Chartered, Citibank, and for the last eight years at PwC, for trusting me as an important client interface and solution-building person. Almost 35 years of client interface experience is all about what I am today.

In the western world, all successful organisations boast as a client-centric or client-driven or lately client-obsessed organisations where relationship management with all stages of decision-making or idea generators means the most.

Today's customers have their minds on their money and their money is on their mobile devices. From prequalifying for a loan via a smartphone to exploring things to buy, customers have fully embraced the convenience that the digital age has brought to them.

Because of the ever-changing customer demands and increasing competition, banks and every other industry need to adopt a modern, customer-focused approach to service, making the importance of relationship management more valuable than ever.

Relationship management encompasses all the strategies, techniques and practices that organisations use to manage client and customer communication throughout the customer lifecycle. This enables organisations to strengthen customer loyalty and provide a single point of service for a range of different products and services.

A customer of a bank, for example, may start out with a simple checking or savings account, but successful relationship management involves a personal or corporate banker, offering products designed to help customers attain financial goals while increasing revenue for the institution.

Organisations that have encashed from successful relationship management have been seen to take a consultative approach with customers, getting to know their current situation and needs, and adapting to changes in their financial or business lives. Cross-selling is the modus operandi of relationship managers (RMs).

RMs really need to be a jack of all trades. Unlike product specialists who can stay focused on their product, an RM must know about every single product that the client is using and is likely to use in the future because the world is changing. In this regard, knowing about the organisation's relationship with the client is obviously mandatory. However, it's not just sufficient to know only about the client.

For a client relationship to sustain, it is critical to know about the entire industry they operate in. With clients increasingly opting for online solutions as opposed to in-person experiences, strategising a way to foster long-term relationships can be difficult for many organisations. Showing clients that the organisation is listening to them and making efforts to improve their experience is a strategic way to promote loyalty.

Relationship management doesn't only nurture existing relationships. It also helps organisations attract and gain new customers. Thus, it is a powerful tool that comes in handy in converting potential customers into new and lifetime ones.

Relationship management is not just about managing only the client, but the internal teams as well. RMs are the ones who get the call from a client if something goes awry. And then RMs are the ones who are expected to fix it. This usually involves coordinating with dozens of people, including analysts, one of the numerous product teams, compliance, the back office and so on.

An RM must get things done or risk losing the business. Thus, there is a need to position RMs as cornerstones for successful client relations, so a smooth feedback-input loop with product development, marketing and management teams becomes the seamless circle of the future.

The author is an economic analyst



Due to different situations and certain festivals and events, the overall transaction amount in mobile financial services may change slightly from time to time, which is a common phenomenon in the industry, says a senior official of a leading operator.

PHOTO: STAR/FILE

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GOVT DEBT US eyes 'extraordinary measures' to avoid default

AFP, Washington

The US Treasury Department said Friday it will likely begin "extraordinary measures" next week to prevent a default on government debt, setting up a high-stakes showdown in Congress over raising the nation's borrowing limit.

Treasury Secretary Janet Yellen, in a letter to congressional leadership, said that the United States was projected to reach its legal borrowing limit - set at \$31.4 trillion - as soon as next Thursday.

It would therefore need to "start taking certain extraordinary measures" to prevent a default.

Any such measures would only help for a limited time, likely no longer than six months, she warned.