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BUSINESS

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RAW MATERIALS  
BGMEA to  
urge buyers  
not to  
nominate  
suppliers

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is going to urge international clothing retailers and brands not to nominate any particular supplier for the sourcing of raw materials and fabrics to prevent market distortions and bring back perfect competition.

There has been massive growth in the country's backward linkage industry for the export-oriented garment sector, BGMEA President Faruque Hassan told The Daily Star over the phone.

However, some international retailers and brands still nominate select suppliers, especially ones in other countries, for

**There has been massive growth in the country's backward linkage industry for the export-oriented garment sector, said BGMEA President Faruque Hassan**

some 40 per cent of raw materials and fabrics, he said.

Bangladeshi companies are very much capable of supplying almost all the raw materials, fabrics and garment accessories necessary as the local primary textile sector has grown a lot over the past four decades, he said.

The nomination is leading to select suppliers availing most of the business, he said.

If the international retailers and brands buy the raw materials and fabrics on the basis of an open market system, there will be perfect competition in the markets, he said.

Also, Bangladesh will enjoy more local value addition in the supply chain which is very much needed for the country for its upcoming United Nations status graduation from a least developed to a developing nation in 2026, he said.

"With the growth of our readymade garment industry, the backward

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A number of customers buy medicines from a drug store on the sadar road in Barishal city. Customers soon may have to pay more for pharmaceutical products as manufacturers are under immense pressure to adjust the prices following the spike in the cost of production amid an energy crisis and a shortage of dollars. The photo was taken on Sunday.

PHOTO: TITU DAS

# Dollar shortage bites pharma industry

Companies face trouble in LC opening for importing raw materials

JAGARAN CHAKMA and  
AHSAN HABIB

The pharmaceuticals industry, which has made life-saving drugs available at lower costs, is facing troubles in opening letters of credit (LCs) to import much-needed raw materials and capital machinery owing to the US dollar crunch.

Bangladesh Bank data showed local drug-makers opened LCs for the imports of raw materials worth \$465.43 million in the first six months of the current financial year, down 22.41 per cent from a year earlier. It was \$599.85 million in the corresponding period in 2021-22.

Likewise, the LC opening for capital machinery used in the pharmaceuticals sector declined 35.15 per cent to \$65.15 million between July and December.

Under the circumstances, the industry is worried about whether it would be able to deliver products to international buyers within agreed deadlines, failure to which may dent the image of the sector.

"The pharma industry is going through a challenging time as the prices of raw materials have risen, and sometimes,

banks are delaying opening LCs," said Md Zahangir Alam, chief financial officer of Square Pharmaceuticals.

"But if pharma companies can't bring in enough raw materials, production would be hampered."

Bangladesh needs to import

for the settlement of the import bills in US dollars, Zahangir said.

Bangladesh is facing a serious dollar shortage as escalated imports have driven down the foreign currency reserves and thus, the value of the local currency against the US dollar. So, businesses can't go ahead

entrepreneurs are not getting adequate dollars to open LCs," said M Mohibuz Zaman, chief operating officer of ACI Pharmaceuticals.

"Banks are taking more time to provide approvals to the opening of LCs. This is prolonging the lead time."

SM Shafiuzzaman, secretary-general of the Bangladesh Association of Pharmaceutical Industries, a platform of about 250 local drug-makers, says manufacturers can't import ingredients on time.

"This is hampering the production of life-saving drugs. In some cases, importers can't have their raw materials released from the port on time as banks can't settle LCs."

"We can't open LCs even after providing a 100 per cent margin against the imports of raw materials and capital machinery."

Shafiuzzaman does not see an immediate solution to the crisis facing the industry.

"The government should give priorities to allow opening LCs for the pharmaceuticals sector considering its importance. The health sector will suffer a lot if the situation does not improve soon."

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\$1.3 billion worth of raw materials for the pharmaceuticals sector a year since local firms can at best meet 10 to 15 per cent of the annual demand for inputs.

The sector meets 98 per cent of the local demand and also ships products to around 150 countries, including several developed nations.

The finance cost to open LCs may go up as banks sometimes forward LC applications to their offshore branches to pave the way

with required imports to feed the economy owing to banks' inability to supply the American greenback needed.

The central bank has restricted non-essential imports to save US dollars. Amid the tightening of purchases from external sources, overall LC opening in Bangladesh slumped 14 per cent year-on-year in July-December. Settlement declined 9 per cent.

"Amidst the sharp strengthening of the dollar,

## BB brings back lending curbs for National Bank

STAR BUSINESS REPORT

The central bank has ordered National Bank Ltd not to disburse more than Tk 10 crore in loans to a single borrower as the lender is going through uncertainties after its Managing Director Md Mehmood Husain stepped down.

Besides, the private commercial bank has been allowed to disburse loans to a few sectors: working capital and loans to the cottage, micro, small and medium enterprises, according to a Bangladesh Bank letter sent to NBL on January 22.

The Bangladesh Bank has taken the decision to protect the interest of the depositors, said its spokesperson Md Mezbaul Haque.

"The managing director of the bank has submitted his resignation letter to the board, creating uncertainty about the operation of the bank. So, the central bank has beefed up its monitoring."

As part of the move, NBL has been instructed not to disburse more than Tk 10 crore in loans to a single borrower, he said.

**The private commercial bank has been allowed to disburse loans to a few sectors: working capital and loans to the cottage, micro, small and medium enterprises**

Husain submitted his resignation letter to the board on January 18. Sources at the central bank and NBL said that the board had asked him to resign.

He, however, cited personal reasons in the letter.

A good number of managing directors of the lender had earlier faced the same consequence amid pressure from the board, said the sources.

"The central bank will investigate if the resignation of the managing director was done complying with central bank rules," Haque said.

As per the central bank's order, NBL will not be allowed to renew the existing loans without recovering a certain cash portion of the credits.

In addition, the bank has not been permitted to open letters of credit if it does not secure a 100 per cent margin from importers.

If the lender wants to disburse loans of more than Tk 10 crore, it will have to take prior approval from the central bank. The central bank also asked the bank not to take over any loans from other banks and non-bank financial institutions.

In the past, the BB also imposed a similar

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STOCKS		
	DSEX ▲	CASPI ▲
	0.12%	0.01%
	6,263.50	18,457.03

COMMODITIES		
	Gold ▲	Oil ▲
	\$1,926.96	\$82.39
	(per ounce)	(per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.53%	▲ 1.33%	▲ 0.54%	▲ 0.76%
	60,941.67	26,906.04	3,293.71	3,264.81

## 1,250 tonnes of sugar stuck at Benapole for tariff stalemate

OUR CORRESPONDENT, Benapole

Around 42 trucks carrying 1,250 tonnes of sugar from India have remained stuck at Benapole port for the past 28 days as the local customs authorities allegedly imposed a higher tariff than that stipulated by the government.

Port sources say a total of 84 trucks loaded with 2,500 tonnes of sugar imported in six consignments by Setu Enterprises arrived in Benapole on December 25.

Of them, half were released after paying a tariff of \$430 for each tonne of sugar as per the rate set by the National Board of Revenue (NBR), said Abdul Latif, the clearing and forwarding agent of Setu Enterprises.

However, customs authorities then imposed a higher tariff of \$570 per tonne for the remaining 1,250 tonnes of sugar following a complaint by the Bangladesh Sugar Refinery Association.

In its complaint, the association stated that sugar is being released from the port by showing lower values than their actual

worth.

Latif went on to say that customs authorities cannot increase the tariff beyond the government-stipulated rate at will.

"The 42 sugar-laden trucks remain stuck at the transshipment yard of the port's truck terminal as the importer is unwilling to clear the consignment by paying the higher tariff," he said.

"But if the sugar is cleared off with the payment of the unusually high tariff, the importers will suffer a huge loss," he added.

Latif also said they have been paying Tk 2,000 per day for parking each truck since their arrival from India.

Ashish Sarkar, a driver of one of the Indian trucks, said he has been living in his truck for 28 days now.

"I don't know how many more days I will have to pass here fighting the bitter cold," he added.

Md Shafayet Hossain, joint commissioner of Benapole Custom House, said they will take steps to end the stalemate in light of instructions from the higher authorities.



Indian trucks carrying 1,250 tonnes of sugar imported from the neighbouring nation have been idling at Benapole port for 28 days now as the importer, Setu Enterprises, alleges that an unusually higher tariff is being imposed.

PHOTO: COLLECTED



## City Bank gets new DMD



Mesbaul Asif Siddiqui

STAR BUSINESS DESK

City Bank has promoted a senior executive vice-president and head of credit risk management to the posts of deputy managing director and chief risk officer.

The official, Mesbaul Asif Siddiqui, joined City Bank in 2015 as an executive vice-president in its corporate banking unit, said a press release.

He started his career at Eastern Bank in 1999 as a management trainee officer and has also served at the Commercial Bank of Ceylon and HSBC Bank.

He attained a Master of Business Administration degree in finance from the University of Dhaka and a Master of Business Management degree from the Bangladesh Institute of Bank Management.

## IFAD, Ashok launch two commercial vehicles

STAR BUSINESS DESK

IFAD Autos and Indian vehicle manufacturer Ashok Leyland have jointly launched a "Phoenix" pickup van and a "MiTR" minibus in Bangladesh.

Iftekhar Ahmed Tipu, chairman of IFAD Group, and Amandeep Singh, president of Ashok Leyland, unveiled the vehicles at a hotel in Dhaka recently, said a press release.

The 9 feet 8-inch-long pickup van produces 80 horsepower and travels up to 12 kilometres on a litre of diesel.

The minibus is equipped with modern features and air-conditioning system and is suitable for office, factory and school commuting as well as for tourists, according to Ifad officials.

It has a 118-horsepower engine and can carry 24 passengers.

Ifad Autos is providing a five-year warranty for the vehicles.

Sujan Roy, head of SAARC at Ashok Leyland, Tanveer Ahmed, Taskeen Ahmed and Tasheen Ahmed, vice-chairmen of IFAD Autos, and Parvez Sajjad, adviser, were present.



A farmer is sowing seeds of maize on a piece of land at the beginning of the Bangla month of Magh with the hopes of getting expected yields within three months. The photo was taken from Rakudia area of Babuganj upazila in Barishal recently.

PHOTO: TITU DAS

## Stocks rise but turnover falls

STAR BUSINESS REPORT

All the indexes of the Dhaka Stock Exchange (DSE) rose slightly yesterday amid the lower participation of investors, who fear that the recent hike in gas and power tariffs would hurt the earnings of listed firms.

On June 18, the government raised the retail price of gas between 14.5 per cent and 178.9 per cent for industries, power plants and commercial establishments to lessen its unsustainable subsidy burden amid a narrow fiscal space.

It came less than a week after the tariff for electricity was revised upwards by 5 per cent. The hikes in gas and electricity prices are expected to fuel inflationary pains and hit the earnings of companies.

Despite such a gloomy scenario, the DSEX, the benchmark index of the premier bourse in Bangladesh, added 7 points, or 0.12 per cent, to close the day at 6,263 yesterday.

The DS30, the blue-chip index, rose 0.33 per cent to 2,211 while the DSES, the shariah-compliant index, inched up 0.33 per cent to 1,365.

"The investors' confidence is still shaky as the recent price hike in energy will

dampen the performances of the listed companies. So, most investors remained on the sidelines," said a merchant banker.

Turnover, an important indicator of the market, dropped about 26 per cent to Tk 509 crore. Of the securities, 34 advanced, 140 declined, and 175 did not show any price movement.

Stocks bounced back as some investors went on to buy mid-session, especially in travel, pharmaceuticals, life insurance and tannery stocks, said International Leasing Securities Ltd in its daily market review.

The market opened with a downward movement as it observed some sale pressures in the morning session. Later, the market reversed to the green as opportunistic investors took the position in the stocks at lucrative prices.

Among the sectors, travel advanced 2.1 per cent, pharmaceuticals rose 0.6 per cent and life insurance was up 0.5 per cent. General insurance dropped 1.1 per cent and jute fell was down 0.8 per cent.

Investors' activities were mainly focused on the IT sector, capturing 19 per cent of the day's total turnover. The general insurance sector represented 13.7 per cent of the turnover and the life insurance

sector made up 11.5 per cent.

Bangladesh Monospool Paper Manufacturing Company topped the gainers' list with an increase of 8.44 per cent.

Dhaka Insurance was up 8.21 per cent, Orion Infusion rose 7.5 per cent, Gemini Sea Food advanced 7.2 per cent, and Bangladesh Welding Electrodes gained 6.7 per cent.

Metro Spinning topped the list of losers after shedding more than 5.3 per cent. Genex Infosys, ADN Telecom, Lubreref (Bangladesh), and Reliance Insurance suffered substantial losses as well.

Genex Infosys was the most-traded stock on the day with its shares worth Tk 45 crore transacted. Aamra Networks, Meghna Life Insurance, Gemini Sea Food, and Bashundhara Paper Mills also saw significant turnover.

The stocks on the Chittagong Stock Exchange rose slightly.

The Caspi, the all-share price index of the bourse in the port city, gained 2 points, or 0.01 per cent, to close at 18,457.

Of the issues, 28 rose, 73 retreated and 72 did not see any price movement. Turnover edged up 6 per cent to Tk 8.5 crore.

## New office bearers of BLFCA

STAR BUSINESS DESK

A new chairman of the Bangladesh Leasing and Finance Companies Association (BLFCA) has been elected for a two-year term.

The elected official, Md Golam Sarwar Bhuiyan, is managing director and chief executive officer of the Industrial and Infrastructure Development Finance Company. He was the vice-chairman of the immediate past committee of the BLFCA, said a press release.

Moreover, Md Kayser Hamid, managing director and CEO of Bangladesh Finance, and Kanti Kumar Saha, chief executive officer of Lankan Alliance Finance, have been elected vice-chairmen.

Members of the BLFCA's executive committee are of Nasimul Baten (DBH Finance), Mohammed Jamal Uddin (IDLC Finance), Khwaja Shahriar (Lanka Bangla Finance), Mohammed Mosharraf Hossain (Islamic Finance and Investment), Quazi Nizam Ahmed (Meridian Finance and Investment), Saifuddin M Naser (National Finance), Irteza Ahmed Khan (Strategic Finance & Investments) and Syed Minhaj Ahmed (Uttara Finance and Investments).

## India may cut gold import duty

REUTERS, New Delhi

India plans to slash the import duty on gold because higher taxes have made it more profitable for smugglers, who can offer hefty discounts and denting the market share of banks and refiners, government and industry officials told Reuters.

The duty cut by the world's second-biggest consumer could lift retail sales by making gold cheaper ahead of peak demand season and support global prices.

It could also revive operations of local gold refineries, which nearly suspended refining for the past two months as they could not compete with grey market operators.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 23, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 58-Tk 75	-2.21 ↓	3.91 ↑
Coarse rice (kg)	Tk 46-Tk 52	-2.97 ↓	3.16 ↑
Loose flour (kg)	Tk 58-Tk 60	-5.6 ↓	66.2 ↑
Lentil (kg)	Tk 100-Tk 105	0	3.54 ↑
Soybean (litre)	Tk 168-Tk 170	0.3 ↑	15.75 ↑
Potato (kg)	Tk 25-Tk 30	22.22 ↑	66.67 ↑
Onion (kg)	Tk 30-Tk 35	-13.33 ↓	0
Egg (4 pcs)	Tk 40-Tk 45	14.86 ↑	13.33 ↑

SOURCE: TCB



Romo Rouf Chowdhury, chairman of Bank Asia, inaugurates the celebration of the 9th founding anniversary of its agent banking by cutting a cake with the members of the board of directors of the bank at its corporate office (Rangs Tower) in Purana Paltan, Dhaka on Sunday.

PHOTO: BANK ASIA



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, inaugurated a Dakkhin Banasree sub-branch from the bank's head office in Dhaka yesterday. Golam Mostafa, senior executive vice-president, and Samsuddin Ahmed Sojol, principal of the Radiant School & College, were present.

PHOTO: UNION BANK

## Bank Asia celebrates 9th anniversary of its agent banking

STAR BUSINESS DESK

Bank Asia Limited celebrated the 9th anniversary of its agent banking operations at its corporate office (Rangs Tower) in Purana Paltan, Dhaka on Sunday.

Romo Rouf Chowdhury, chairman of Bank Asia, inaugurated the celebration by cutting a cake with the members of the board of directors of the bank, said a press release.

Rumee A Hossain, chairman of the board executive committee of the bank, Dilwar H Choudhury, chairman of the board audit committee, Tania Nusrat Zaman, Ashrafur Haq Chowdhury, Md Abul Quasem, directors, and Adil Chowdhury, president and managing director of the bank, were present on the occasion.

Shafiuzzaman, additional managing director, Mohammad Ziaul Hasan Molla, deputy managing director, CAMLCO and head of channel banking, SM Iqbal Hossain and Alamgir Hossain, deputy managing directors, along with other high officials of the bank were also present.

As part of the celebration, the bank arranged a "Strategic Business Meet-2023" for district managers, launched a special campaign titled "Financial Inclusion, Empowerment of Women", and introduced a new deposit scheme named "DPS-100".

Bank Asia is the pioneer of agent banking in Bangladesh, and the service was rolled out on January 17, 2014, aiming to facilitate the ongoing financial inclusion initiatives through bringing more unbanked people in the banking network across the country.

## Peninsula Chittagong

FROM PAGE B4

The company suffered a loss of Tk 2.97 crore in July-December, way down from the Tk 7.59 crore profit it clocked in the same quarter in the previous financial year. Thus, the EPS stood at Tk 0.25 in negative in July-December against Tk 0.64 in the first half of FY22.

The net operating cash flow per share slipped to Tk 0.19 in the first half of FY23 from Tk 0.26 in the same July-December of FY22. "The NOCFPS fell due to an increase in the cash paid to suppliers," said the filing.

The net asset value per share slipped to Tk 28.97 on December 31 from Tk 29.47 on June 30.

Shares of Peninsula Chittagong closed unchanged at Tk 27.40 on the premier bourse of Bangladesh yesterday.

FROM PAGE B4

the International Center for Tropical Agriculture jointly organised the event, styled "Rethinking Food Markets and Value Chains for Inclusion and Sustainability".

The study noted that despite some improvements in yields and the adoption of modern technical practices, including farm and feed management, significant structural problems continue to plague the industry.

There was a consensus that shrimp, unlike other species, needs technical knowledge to produce.

In the absence of such knowledge, shrimp farming becomes a high-risk venture for small farmers, said Mohammad Mahfujul Haque, a professor of aquaculture at Bangladesh Agricultural University in Mymensingh.

There is also an associated challenge of ensuring that farmed shrimp is free from disease. Bangladesh now has at least three hatcheries that produce specific pathogen-free post-larvae, which

reduces these risks.

However, the present extensive shrimp farming systems limit the ability of farmers to maintain biosecurity. Recent data suggests that most ponds that grow shrimp in fact also grow substantial quantities of fish.

After garments products, there is no other product from Bangladesh that has a separate demand in the export market. From that point of view, shrimp exports have very high potential in this regard.

"But the big question is why couldn't Bangladesh develop it so far? Our neighbouring countries have made great strides in shrimp exports," Haque added.

Saroj Kumar Mistry, deputy director of the Sustainable Coastal and Marine Fisheries project under the Department of Fisheries in Khulna, said most farmers in Bangladesh still cultivate shrimp in traditional ways.

But to deal with the risk of climate change, the use of technology in farming has to be increased.

Otherwise, it is not possible to deal with the crises that are being created due to climate change.

So, the government has already taken several initiatives to this end, he said.

Mistry then said Bangladesh's best opportunities remain in locally grown black tiger shrimp and the focus should be on market development and international branding.

Also, there is a need for a holistic policy for shrimp and a dedicated agency committed to developing the industry, he added.

Different stakeholders think the policies supporting the industry are more exporter-centric, but it is time to build a farmer-focused policy that enables them to overcome the many constraints they face.

The sector ensures the livelihood of more than 8 lakh farmers, who collectively cultivate shrimp on 2.63 lakh hectares of land in coastal areas of the country's southwest region, according to the Department of Fisheries.



## AB Bank disburses loans among marginal farmers

STAR BUSINESS DESK

AB Bank Limited has disbursed agricultural loans among marginal farmers in Tungipara, the birthplace of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

Sheikh Tozammel Haque Tutul, mayor of Tungipara municipality, was present as the chief guest at the event. He handed over cheques to farmers at the Bangabandhu's memory-laden Gimadanga Tungipara Government Primary School in Gopalganj, said a press release.

A total of 107 farmers received loans from the bank through smart cards. With this, AB Bank started the journey of its smart accounts.

Tarique Afzal, president and managing director of the bank, presided over the programme. Senior officials of the bank and local dignitaries were also present on the occasion.



The MV Sahare, one of four container ships operated by HR Lines on the Chattogram-Colombo route, is seen in the picture. The subsidiary of Bangladesh's Karnaphuli Group recently added two more vessels to its fleet, taking the total number up to eight.

PHOTO: COLLECTED

# HR Lines adds two more container vessels to fleet

DWAIPAYAN BARUA, Chattogram

Feeder-vessels operator HR Lines Limited, a subsidiary of Karnaphuli Group, has expanded its carrying capacity by adding two more container ships to its fleet.

Senior officials of Karnaphuli Group, the only company in Bangladesh to own container vessels, yesterday confirmed the acquisition of HR Turag and HR Balu, which have a carrying capacity of 1,100 TEUs and 1,700 TEUs respectively.

With these two, the number of container vessels owned by the firm will go up to eight with the fleet now having a combined carrying capacity of 11,840 TEUs.

HR Lines currently operates two liner services with one being the Chattogram-Singapore-Port Klang route while the other is the Chattogram-Colombo route.

According to Alphaliner, an internet-based reference and information source on liner shipping, HR Lines now ranks 74th among the top 100 global container carriers, and as per the local company, it is the largest South Asian owned container shipping line.

The eight HR line operated vessels are among at least 60-65 vessels that are currently operating between Chattogram and four transshipment hubs, namely Colombo, Singapore and two Malaysian ports – Port Klang and Tanjung Pelepas.

The total number of Bangladeshi owned ocean-going vessels, including bulk carriers and container vessels, rose to 91 at the end of 2022 from 80 a year ago.

According to the Mercantile Marine Department (MMD), two more Bangladeshi flagged bulk vessels were added in January, raising the number to 93.

MMD officials said that with the new two container vessels, the number will now go up to 95, the highest so far.

According to market insiders, Karnaphuli Group already closed deals with two shipping lines – Maersk Line and SITC Container Lines – to purchase the two second-hand ships.

The company has invested around Tk 250 crore for the purchase.

In June 2020, HR Lines launched two container vessels – MV Sahare and MV Sarera – with each able to carry 1,550 TEUs of containers on the Chattogram-

Singapore-Port Klang-Chattogram route to introduce the Bangladesh Express Service.

In early 2021, the firm purchased four old container vessels from Singapore's Pacific International Lines (PIL) and its subsidiary PST Management Pte Limited at a cost of around Tk 2.25 billion.

Two of the four vessels, namely MV HR Hera and MV HR Rhea, that each have a capacity of 1,454 TEUs were first deployed on the Chattogram-Colombo route in March that year, when the operator introduced Chattogram-Colombo Express (CCE) services.

Later, HR Hera and HR Rhea were placed on the Chattogram-Singapore-Port Klang route with MV Sahare and MV Sarera to be redeployed on the Chattogram-Colombo route.

In October 2021, two more vessels – HR Farha and HR Aarai – that each have 1,550 TEUs carrying capacity were added to the CCE service.

Currently, the four vessels deployed on the Chattogram-Colombo route carry goods twice a week.

HR Lines is planning to deploy HR

Turag, one of the two new ships, on the Chattogram-Colombo route as well, which would enable it to operate thrice a week on average.

Hamdan Hossain Chowdhury, managing director of Karnaphuli Group, said they are planning to launch a shuttle service on the Chattogram-Singapore route with the HR Balu.

As local businesses mostly depend on foreign vessel operators, HR Lines is trying to expand the local fleet to help reduce foreign currency spending amid spiralling shipping costs.

HR Lines aims to keep at least one of its vessels at Chattogram port almost every day to sail either for Colombo, Singapore or Port Klang.

"We plan to acquire more ships during the course of this year and this will facilitate further enhancement and upgradation of our feeder services connecting Chattogram with major transshipment hubs," Chowdhury said.

"Our immediate focus is to deploy more than 50 per cent of the total trade tonnage between Chattogram and each of the hubs," he added.

## bKash again ranked as number one 'Employer of Choice'

STAR BUSINESS DESK

Leading mobile financial service provider bKash has once again been ranked as the number one 'Employer of Choice' across all sectors for the third consecutive year, according to the results of the 'Campus Track Survey B-school: 2022' conducted by NielsenIQ.

NielsenIQ, a globally reputed organisation specialised in research, insights, data, and analytics, has been conducting the "Campus Track Survey" across the world.

bKash topped the 'Employer of Choice' list for the first time in 2020, bKash said in a statement yesterday.

The survey was carried out based on three key parameters: a) industry preference, b) job, salary and campus activities, and c) aspirational factors. In terms of Campus Recruiter Index (across all industries), bKash is ranked as top-of the list out of the 54 multinational and local organisations.

Goodwill of the company, positive work environment, growth and learning opportunities, attractive salary package, job stability and satisfaction, employee wellbeing, organisational culture and values enabled bKash to retain the number one position in the survey.

In the survey, the participants were final-year BBA and MBA students who are in the class of 2022 in the top 19 universities in Bangladesh.

## WB support sought for RMG development

STAR BUSINESS REPORT

The country's apparel makers have sought cooperation from the World Bank (WB) for the development of Bangladesh's garment sector.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), made the call yesterday at a meeting with Axel van Trotsenburg, managing director of operations of the WB, at the BGMEA office in Dhaka.

During the meeting, Trotsenburg led a delegation of senior officials of the global lender.

In the meeting, the BGMEA president apprised the WB of the future priorities of Bangladesh's RMG industry, including increased focus on moving up the value chain through innovation, product diversification, technology upgradation, and up-skilling and re-skilling of the workforce to remain sustainable and cost competitive.

The BGMEA chief also highlighted the tangible transformation of the garment industry in the areas of workplace safety, environmental sustainability and workers' wellbeing.

Hassan also sought WB's cooperation for financing small and medium enterprises (SMEs) to support their development and as they often cannot avail regular financing schemes due to stringent due diligence.

He urged the WB to provide the SMEs with low-cost finance so that they could upgrade their capability and adopt sustainability practices and thrive in the competitive market.

## Dollar shortage bites pharma industry

FROM PAGE B1

Monjurul Alam, director for global business development at Beacon Pharmaceuticals, said although the sector is suffering while opening LCs for the time being, it might perform well in 2023 as the number of export destinations could increase.

According to him, the industry is struggling to continue business amidst the ongoing dollar crisis and the latest gas and power price hikes.

On June 18, the government raised the retail price of gas between 14.5 per cent and 178.9 per cent for industries, power plants and commercial establishments to lessen its unsustainable subsidy burden amid a narrow fiscal space.

It came less than a week after the tariff for electricity was revised upwards by 5 per cent.

The hike in gas and electricity prices would emerge as a major burden for the sector when it comes to maintaining competitiveness in the global market, Mohibuz said.

"If the situation persists, the sector will suffer a lot and struggle to survive."

Monjurul acknowledges that the industry has been facing a lot of troubles due to the falling raw material imports amid the restrictions on the opening of LCs. "There is no way to avoid the rising cost of production due to the increase in the dollar price."

The taka has lost its value by about 25 per cent against the US dollar since Russia's war in Ukraine began in February last year.

Prof Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, called for a careful examination to know the problems the businesses are facing.



» Markets size: Tk **35,000cr**

» Export earnings in FY22: **\$188.78m**

» Major players: Square, Beximco, Incepta, Eskayef, Beacon, ACI, Opsonin, Renata

» Market share held by major companies: **90%**

» Share of generic drugs: **75%**

» Export destinations: **150**

» Total companies: over **250**

He said the Bangladesh Bank was providing support by injecting dollars from its reserves to ensure the import of essentials.

"Health and well-being are as essential as food and energy. So, it demands closer scrutiny to ensure that supply, availability and prices are not affected."

Square Pharma's Zahangir urged the central bank to open a window to ensure LC opening for drug makers.

"The gas prices are going up. So, the cost of production would be higher for drug makers."

Though the costs of production have risen, manufacturers can't pass on the entire cost to consumers.

The price adjustment is only possible after taking approval from the Directorate General of Health Services, said Zahangir.

Pharma exports witnessed a downward trend recently due to the global economic crisis. Shipment dropped 12.06 per cent to \$92.78 million between July and December, data from the Export Promotion Bureau showed.

## BGMEA to urge

FROM PAGE B1

linkage industry including textiles and accessories has also grown significantly in recent decades," said Hassan.

"Now we are almost self-sufficient in knit fabric, though supply of woven fabric from local mills still remains inadequate," he said in a letter drafted for international retailers and brands sourcing from Bangladesh.

The BGMEA would start sending the letter to the international retailers and brands soon.

He said on the other hand, the local accessories industry has the capacity to meet almost 100 per cent demand.

However, Bangladesh still has to gain strength in the production of a number of special accessories and some specialised knit fabrics, particularly that from man-made fibre, polyester and synthetics. "We don't have enough capacity at this moment," he said.

"So, we need to import those. Here our observation is that in many cases buyers used to nominate the source of fabrics and accessories for import," he said.

And in most of the cases, a single source is nominated with no other option, said Hassan.

"You would agree that in principle it somehow distorts the business environment and competition, which otherwise would have helped to ensure better quality, better cost and flexibility had the manufacturers had the option of multiple supplier nomination," the letter also said.

"So, I would humbly request you to kindly consider this request to nominate multiple suppliers for one particular input for which we are not competitive enough and which has to be imported, so that we have the option to negotiate and also check the quality," he said.

At the same time, he requested the international retailers and brands to encourage the suppliers in Bangladesh to invest more in those specialised items.



Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, attends the bank's "Managers' Conference-2023" in Dhaka recently. Branch managers from 238 branches of the bank attended the conference. Deputy managing directors, divisional heads and senior executives of head office of the bank also attended the event.

PHOTO: DUTCH-BANGLA BANK



Nurul Islam Nahid, former education minister, cuts a ribbon to inaugurate Pubali Bank's Sonasar Bazar sub-branch in Zakiganj of Sylhet yesterday. Abu Laich Md Shamsujjaman, general manager of Sylhet principal office of the bank, presided over the event, where Habibur Rahman and Rana Laila Hafiz, directors, Hafiz Ahmed Mazumder, lawmaker from Sylhet-5, and Md Habibe Millat, lawmaker from Sirajganj-2, were present.

PHOTO: PUBALI BANK

## Euro scales 9-month peak

REUTERS, London

The euro hit a nine-month peak against the dollar on Monday as comments on European interest rates signalling additional jumbo rate rises contrasted with market pricing for a less aggressive Federal Reserve.

The euro reached as high as \$1.0927, breaking the recent peak of \$1.08875, to trade at its highest level since April last year.

It was aided by European Central Bank (ECB) governing council member Klaas Knot, who said interest rates would rise by 50

basis points in both February and March and continue climbing in the months after.

A Reuters survey of analysts also favoured a hike of 50 basis points in March and an eventual top of 3.25 per cent from the current rate of 2 per cent.

The euro is also being supported by an easing of recession fears amid a fall in natural gas prices, according to Rabobank head of currency strategy Jane Foley.

"The growth in confidence in the economic outlook, or at least the removal of a lot of the pessimism, is part of the euro story," Foley said.

## BB brings back

FROM PAGE B1

ceiling on the loan disbursement of the bank before relaxing the conditions later.

This is because non-performing loans have remained at an elevated level: defaulted loans at NBL stood at Tk 11,336 crore in September, up 147 per cent from a year ago, data from the BB showed.

Neither Mehmood Husain nor Ron Haque Sikder, a director of the bank, could be reached for comments, while the contact number of Syed Rois Uddin, a deputy managing director and the acting MD of NBL, was not immediately available.





Guests at a ceremony marking the publication of “Life Struggle of Pioneering Entrepreneurs” featuring stories of 12 renowned industrialists of the country at Daffodil International University yesterday.

PHOTO: STAR

# 12 industrialists feature in ‘Life Struggle of Pioneering Entrepreneurs’

OUR CORRESPONDENT, Savar

A ceremony marking the publication of “Life Struggle of Pioneering Entrepreneurs” featuring stories of 12 renowned industrialists of the country was held at Daffodil International University (DIU) yesterday.

The stories narrate how the leadership, hard work and dedication of the 12 entrepreneurs contributed to the economic advancement of the country.

The stories feature entrepreneurial spirits of the Ispahani family, AK Khan and Company founder AK Khan, Rahimafrooz's founder AC Abdul Rahim, Square Group Founder Samson H Chowdhury, Akij Group Founder SK Akij Uddin, Dosh Garments Founder M Noorul Quader, Abdul Monem Ltd's Abdul Monem, ACI Ltd Chairman Anis ud Dowla, PRAN-RFL Group Founder Amjad Khan Chowdhury, Anwar Hossain of the Anwar Group of Industries, Syed Manzur Elahi of Apex Group and Latifur Rahman of Transcom Group.

Edited by DIU Founder and Chairman Dr Md Sabur Khan, the book is a compilation of “DIU Industry-Academia Lectures on Entrepreneurship Development” organised by the DIU's Innovation and Incubation Center.

Addressing the event, Dr Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue (CPD), said he personally knew the 12 who were all very polite and did not lack modesty.

Each of them took business forward

in different ways and were truly engaged in corporate social responsibility (CSR) activities, way before the concept came about, he said.

Bhattacharya urged for the book to be included in the national curriculum.

Written in a simple and easy language, the book can be very inspirational if distributed among the country's students, said Anisul Haque, managing editor of daily Prothom Alo.

Salehuddin Ahmed, a former governor of Bangladesh Bank, urged the publisher, Daffodil Publications, to bring out case studies on the 12 in English for sharing globally and a future edition on success stories of rural, micro and small businesses.

Though the government and bureaucracy are expected to clear obstacles for enterprises to grow better and create more wealth for the nation, it has not always been the case, he said.

The economy faces big challenges and recessionary trends, worsened by the pandemic and Russia-Ukraine war, he said as the programme's chief guest.

Hence, enterprises need to tread carefully, adding value, keeping costs low and engaging in meaningful CSR and not letting it go to waste under pressure or in an effort to do favours, he said.

They must move forward with a bit of instinct and a lot of dreams, he added.

Simen Rahman, group chief executive officer of Transcom, wrote an article in the book about Latifur Rahman, founder

chairman of Transcom Group.

In her speech yesterday, she said Transcom was a company that aims to serve the nation.

“We take all sorts of steps to attain our objectives. My father has established and expanded it with his dream and hard labour...We are still on the journey that began with tea plantation in 1885,” she said.

**The stories narrate how the leadership, hard work and dedication of the 12 entrepreneurs contributed to the economic advancement of the country**

In the article, she said Latifur had started off inheriting the business but faced difficulties after the government nationalised industries, except for tea, after Bangladesh achieved independence.

The tea business also suffered yet he did not lose hope and when he saw the opportunity he started off from scratch with firm determination.

Simen in her article said Latifur Rahman maintained doing ethical business as one of the core values from day one and Transcom has stuck to it.

“He was uncompromising in following ethical values. He worked hard to make each of his industrial units as the best so that those can keep pace with the world,” she wrote.

And the recognition for his ethical business practices came in 2012 through Oslo Business for Peace Award, one of the most prestigious awards, she said.

Today, Transcom is one of the largest and most diversified business conglomerates in Bangladesh.

The book is expected to help students get a better understanding of theoretical knowledge in light of reality, said Sabur Khan.

Stating that there will be further value additions to the book, he urged families of the 12 to keep contributing anecdotes, references, pictures, videos and links for those to be shared in an organised manner by the DIU.

He lamented that people only focus on material successes and occasional mistakes of entrepreneurs without actually looking into their struggles and challenges.

He urged all to cite the 12 in daily discussions and not only global business leaders like Elon Musk.

These homegrown business leaders survived and grew often amidst a lack of good governance, easy opportunities and funds alongside social tension, he said.

The publisher expressed intent to bring out editions on entrepreneurs launching their businesses after the Partition of India in 1947 and after Bangladesh achieved independence in 1971.

Anis Ud Dowla, chairman of ACI Group, and Dr Abul Barkat of the University of Dhaka also spoke at the event.

## If Japan can, why can't we?

SAZZADUL HASSAN

During the 1970s, Japan was gradually establishing itself as a global manufacturing powerhouse. In fact, the spectacular rise of Japan's economy started in the late 1950s. This was naturally a big surprise to the world. How come the nation, which was devastated in the second World War, could turn around so fast?

Lloyd Allen Dobyns, a famous reporter from NBC Television, dug into the mystery of Japan's success. What did he find out?

Surprise! Surprise! The seeds of Japan's success as a manufacturer of ‘quality products’ were planted by none other than an American, William Edwards Deming. Dr Deming's contributions to Japan's economic miracle went largely unnoticed until an NBC feature called ‘If Japan can...Why can't we?’ by Lloyd Allen Dobyns was broadcasted on June 24, 1980.

Dr Deming had a sound academic track record. He did his graduation and master's in electrical engineering, and was awarded a PhD by Yale University. Deming's decorated career started as a mathematical physicist. He worked as a statistical adviser for the United States Census Bureau during World War 2. He was a professor of statistics at New York University.

After the second World War, the Allied Forces invited Dr Deming to assist with the Japanese census. During his stay in Japan, he was requested by the Japanese Union of Scientists and Engineers (JUSE) to teach statistical control. Deming trained hundreds of Japanese engineers, managers, and scholars in statistical process control (SPC) and concepts of quality.

His key message was: improving quality will reduce expenses, increase productivity, and market share.

Dr Deming provided a universal framework for changes that can lead to major operational benefits. He summarised his approach into a four-part system that includes System Thinking, Variation, Theory of Knowledge and Psychology.

System Thinking refers to understanding the overall processes involving suppliers, producers, and customers. It encourages consideration of the whole business, the interdependencies among various functions and parties within it and how to optimise the system over time.

Knowledge of Variation helps to identify the variation that occurs in a process. Every process has got some variations and hence the objective is to minimise those as this leads to the improvement. The way to improve a product or a process economically is to increase the knowledge of the way it works. The practical steps for increasing knowledge are the ‘Plan, Do, Study, Act’ cycle.

Psychology is the study of the human mind, including how people act and interact in different situations.

Japanese manufacturers religiously applied Dr Deming's techniques and achieved extraordinary levels of quality and productivity. The improved quality combined with the lower cost created huge demand for their products.

Dr Deming declined the offer of royalties from the transcripts of his 1950 lectures. JUSE's board of directors introduced the Deming Prize to honour him for his contributions. The Deming Prize, which is given to companies, has exerted an immeasurable influence on the development of quality management in Japan.

Japan's experience can certainly be a great lesson for us. We all know the great potential Bangladesh has. It all requires seeing things differently; believing in ourselves. We have everything to crack. So, let's get started.

The author is chairman and managing director of BASF Bangladesh Limited



## Shrimp farmers barely get financial support: study

They lack collateral

STAR BUSINESS REPORT

Shrimp farmers in Bangladesh barely get any financial support, especially from formal institutions, as they lack the required collateral, according to a study by the Consultative Group for International Agricultural Research (CGIAR).

CGIAR is a global research partnership that works for a food-secure future, dedicated to transforming food, land, and water systems amid the climate crisis.

The small enclosures used for rearing shrimp, locally known as ghers, limit the productivity of such farms. So, there is a pressing need to develop the required infrastructure, especially in regard to deepening the ponds and other structures for improved water management, the study said.

A decade ago, there was much to cheer about regarding the performance of shrimp exports. But in recent years, the once promising industry seems to have reached an impasse, it added.

CGIAR had conducted the study to document the issues faced by the shrimp industry in Bangladesh.

The preliminary results were presented at an “Expert Consultation Workshop”, conducted on January 22 at the Centre for Integrated Rural Development in Asia and the Pacific in Dhaka.

The International Food Policy Research Institute, WorldFish, the Alliance of Bioversity International and

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A study on the shrimp industry says there is a pressing need to develop the required infrastructure for the sector, especially in regard to deepening the ponds and other structures for improved water management.

PHOTO: STAR/FILE

## Peninsula Chittagong's profit falls over 75% in Q1

STAR BUSINESS REPORT

The Peninsula Chittagong Limited's profit declined more than 75 per cent year-on-year to Tk 94.93 lakh in the October-December quarter of the ongoing financial year.

The hotel based in the port city made a profit of Tk 3.92 crore in the first quarter of the previous financial year.

Thus, the earnings per share (EPS) were Tk 0.08 in October-December of FY23 against Tk 0.33 in the identical quarter of 2021-22, according to the unaudited financial statements.

The EPS decreased due to a decline in finance income and the increase in the cost of goods sold, administrative expenses and the hike in non-operating loss, said Peninsula Chittagong in a filing on the Dhaka Stock Exchange (DSE).

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