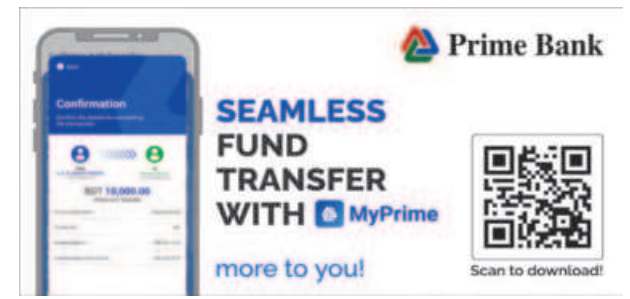


Star BUSINESS



Rice market totally deceitful
Alleges state minister for planning

STAR BUSINESS REPORT
Prof Shamsul Alam, state minister for planning, yesterday called the rice market of Bangladesh as completely deceitful as the staple is not sold under their real names.
For instance, a rice variety is sold as Pushpomoti by cutting and polishing the coarse variety named Shorna, he said.



Prof Shamsul Alam

"This is a deceitful way of selling rice, so it should be stopped. Here, the market reform is necessary."
Prof Alam made the comments while speaking to a group of reporters from the Development Journalist Forum of Bangladesh at the planning ministry.
"Because of the cutting and polishing, rice loses its nutritional value and it is being done by importing machines spending crores of taka. The government will take steps soon to stop it," said the state minister.

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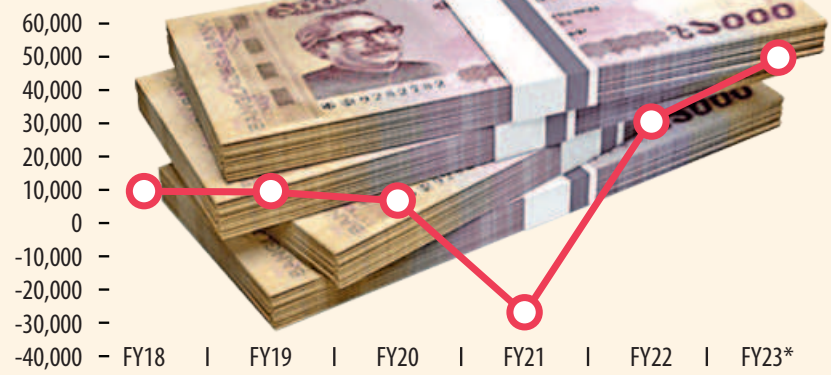
Govt borrowing from BB by types of instrument

Jul 1-Feb 9, FY23

Treasury bills: Tk 22,683 cr	Treasury bonds: Tk 28,606 cr
Repayment by govt to commercial banks: Tk 11,910 cr	Net sales of savings certificate fall by Tk 3,107 cr

Govt Borrowing from Bangladesh Bank

in crore taka; As of Feb 9
SOURCE: BB



Govt's higher borrowing from BB stokes inflation risk

AKM ZAMIR UDDIN

The government has kept borrowing from the Bangladesh Bank as commercial banks can't come up with much-needed funds owing to the liquidity crunch.

But if the government consistently borrows from the central bank, it may fuel inflation, which has remained at an elevated level for the past one year.

Between July 1 and February 9 this fiscal year, the government borrowed Tk 52,129 crore from the central bank, according to BB data. It borrowed Tk 31,403 crore in the entire fiscal year of 2021-22.

"Borrowing from the central bank usually means an injection of new money into the market. This usually put an adverse impact on inflation," said Zahid Hussain, a former lead economist

of the World Bank's Dhaka office.

In other words, this means, the volume of notes and coins out in circulation is increasing. And such a form of money can multiply by as much as five times as only a fraction of deposits is backed by actual cash and is available for withdrawal.

So, the Tk 52,129 crore borrowed by the government may end up being Tk 260,645 crore eventually.

The extra money in the hands of people means it will create demand for goods, which may push up the price level.

According to data from the Bangladesh Bureau of Statistics, inflation stood at 8.57 per cent in January, down from 8.71 per cent in December.

January's inflation figure was the lowest since August when consumer prices surged to a 10-year high of 9.52 per cent.



In order to help banks open letters of credit (LCs), the central bank injected around \$9.50 billion into the economy between July 1 and February 9. A record \$7.62 billion was supplied during the entire financial year of 2021-22.

Commercial banks bought the dollars in exchange for the local currency, which has reduced the liquidity base in the banking system. If the government had borrowed money from commercial banks, the liquidity situation would have worsened further.

The government has set a bank borrowing target of Tk 106,334 crore for 2022-23.

Of the money that the government has taken from the BB in the last seven months, Tk 11,910 crore was used to repay commercial banks. So, the

READ MORE ON B3

State-run oil companies see higher profits

AHSAN HABIB

While most listed companies struggled to raise profits in the first half of 2022-23 owing to higher petroleum prices, listed state-run oil companies in Bangladesh saw a staggering double-digit growth in earnings.

The higher profits came mainly from higher interest income from bank deposits and higher sales revenue as demand for fuel rose amidst power outages.

Jamuna Oil Company's profit grew by 81 per cent compared to the same period of the previous year while profits of Meghna Petroleum and Padma Oil Company rose 33.7 per cent and 38 per cent, respectively.

"The profits rose mainly due to higher sales and higher interest income," said Md Masudul Islam, company secretary of Jamuna Oil Company.

Jamuna Oil Company's profits surged to Tk 168 crore, according to the financial report of the company.

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STOCKS	
DSEX ▼	CASPI ▼
0.23%	0.19%
6,256.17	18,462.14

COMMODITIES	
Gold ▲	Oil ▼
\$1,858.73	\$79.09
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.99%	▲ 0.64%	▼ 0.2%	▲ 0.28%
61,032.26	27,602.77	3,318.20	3,293.28



Credit card issuance grows at faster pace

STAR BUSINESS REPORT

Credit card issuance by banks grew at a faster pace in 2022 compared to the year prior as there is a growing interest among people to avail the benefits offered by plastic money, such as interest free loans for up to one-and-a-half months.

As such, credit card issuance reached a four-year high of 2.82 lakh last year, up 15 per cent from 1.93 lakh in 2021, according to data released by Bangladesh Bank earlier this week.

With this growth, the total number of credit cards issued in the country stood at 21.15 lakh as of December 2022. However, bankers and other players in the financial sector said credit card issuance would have grown much faster had the National Board of Revenue (NBR) not slapped a new rule requiring proof of income tax return for availing plastic money.

"It is a good sign that the total number of credit cards has increased, but the growth would have been accelerated if there was no requirement to submit proof of income tax return," said Md Mahiul Islam, head of retail banking at Brac Bank, a leading bank in

the credit card segment.

The NBR imposed the rule for the current fiscal year despite facing opposition.

As a result, the demand for loans through credit cards has slowed, as per Bangladesh Bank data.

At the end of December 2022, loans taken through credit cards grew 12 per cent year-on-year to Tk 2,498 crore from Tk 2,229 crore.

Credit card transactions grew 42 per cent in 2021 from the previous year, central bank data showed.

"Credit card has become a lifestyle product. Demand and use of credit cards are growing in line with the growth of consumerism," said Md Shafquat Hossain, head of retail banking at Mutual Trust Bank (MTB), which issued around 45,000 credit cards in 2022.

"We have seen the growth of restaurants as people are increasingly showing interest to dine out, and credit cards provide them the scope to pay later," Hossain said, adding that credit cards have become a necessity for making payments while travelling abroad.

READ MORE ON B3

USTR alleges Bangladesh breached IPR rules

STAR BUSINESS REPORT

The United States Trade Representative (USTR), the American government's chief trade negotiating body, sent a letter to Bangladesh alleging that intellectual property rights (IPRs) rules on the export of garments, footwear and electronic goods to the American markets have been violated.

The commerce ministry also responded to the allegations of the USTR on Monday night, Hafizur Rahman, additional secretary to the commerce ministry, told The Daily Star over the phone.

Bangladesh, as a least-developed country (LDC), has been enjoying some benefits under the IPR rules of the World Trade Organisation (WTO), said the reply.

READ MORE ON B3



Nikhil Biswas has been making harmoniums for the past 18 years. The keyboard musical instrument works by wind being supplied by bellows. Making one takes him around 20 days and he can sell it for up to Tk 30,000. The photo was taken at Ruprampur village of Khulna's Dumuria upazila earlier this month. PHOTO: HABIBUR RAHMAN

Triune honoured by business magazine

STAR BUSINESS DESK

Advertising, public relations and communications agency Triune, a subsidiary of Triune Group, has been named in a list of top 10 advertising agencies for 2023 in Asia by business magazine Asia Business Outlook.

The magazine lauded the performance of Triune in the industry and published a feature on the group in a recent issue, said a press release.

"This recognition will act as a source of inspiration in our future journey," said Kazi Wahidul Alam, managing director of Triune Group.

Stocks back in the red as investors book profit

STAR BUSINESS REPORT

Shares on the Dhaka and Chittagong stock exchanges returned to red yesterday as risk-averse investors went for a quick profit-taking.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), lost 14 points, or 0.23 per cent, to end the session at 6,256.

The DS30, the blue chip index, fell 0.24 per cent to 2,226 while the DSES, the shariah-compliant index, dropped 0.24 per cent to 1,368.

Turnover, a key indicator of the market, edged down 0.5 per cent to Tk 433 crore. Of the securities, 23 advanced, 143 declined and 143 did not show any price movement.

The market started on an upbeat note but the momentum did not sustain after the first hour of the trading session.

The shares on the DSE slipped as the risk-averse investors went for a quick profit-taking and followed a cautious stance because of the speculation that the floor price of the remaining stocks would be lifted,

said brokerage house International Leasing Securities Ltd.

In order to prevent a freefall of stocks, the floor price, the lowest price at which a share can be traded, was brought back on July 29. The floor was the average of the closing prices on July 28 of 2022 and the preceding four days.

On December 21, the stock market regulator lifted the artificial support measure for 169 companies out of a nearly 400 companies listed on the DSE.

Among the sectors, tannery was up 0.5 per cent.

The travel sector shed 2.2 per cent, the service sector was down 2.1 per cent, and the IT sector gave up 1.5 per cent.

Investors' activities were mainly focused on the IT sector, capturing 16.4 per cent of the day's turnover. The food sector and the pharmaceuticals sector accounted for 16.4 per cent and 11.9 per cent of the turnover, respectively.

Navana CNG made the highest gain with an increase of 8 per cent. Standard Insurance,

BDCOM Online, Emerald Oil Industries, and Bengal Windsor Thermoplastics were also on the top gainers' list.

BD Thai Food & Beverage was the highest loser, shedding more than 3 per cent, despite reporting a 13 per cent year-on-year growth in profit in the October-December quarter of the current financial year.

Eastern Housing, City General Insurance, Aamra Networks, and Hwa Well Textiles (BD) were also among the significant losers.

Olympic Industries was the most-traded stock with its issues worth Tk 31 crore transacting.

Genex Infosys, Bangladesh Shipping Corporation, Gemini Sea Food, and Apex Footwear also registered significant turnover.

The Caspi, the all share price index of the Chittagong Stock Exchange, went down 35 points, or 0.19 per cent, to close at 18,462.

Of the issues, 16 rose, 67 retreated and 44 did not see any price swing.

However, the turnover of the port city bourse rose 90 per cent to Tk 12.6 crore.

StanChart honoured at Asset Triple A Country Awards

STAR BUSINESS DESK

Standard Chartered has recently been named "Best Bank in Bangladesh for Sustainable Finance" at an Asset Triple A Country Awards for arranging a green zero-coupon bond for Sajida Foundation and green bond for Pran Agro, a concern of Pran-RFL Group.

The Sajida Foundation bond facilitated greater access to resources for cottage, micro, small, and medium enterprises while the Pran Agro one helped embrace more sustainable business practices.

"Sustainable finance is key to enabling a just transition to a net-zero future," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

Summit Communications MD ACCA global council member

STAR BUSINESS DESK



Md Arif Al Islam, managing director of Summit Communications, has recently been elected global council member of the Association of Chartered Certified Accountants (ACCA).

The ACCA is an accountancy body based in the UK with 241,000 members. Islam started his career in public practice in the UK 28 years ago and became an ACCA member in 1999, said a press release.

He served KPMG a senior manager and Grameenphone as deputy chief executive officer and chief financial officer before co-founding Summit Communications 12 years ago.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 14, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	3.85 ↑	5.47 ↑
Coarse rice (kg)	Tk 48-Tk 52	2.04 ↑	6.38 ↑
Loose flour (kg)	Tk 56-Tk 58	-5 ↓	65.22 ↑
Lentil (kg)	Tk 95-Tk 100	-5 ↓	62.86
Soybean (litre)	Tk 168-Tk 172	-1.45 ↓	10.75 ↑
Potato (kg)	Tk 20-Tk 25	-4.26 ↓	28.57 ↑
Onion (kg)	Tk 30-Tk 38	-9.33 ↓	-9.33 ↓
Egg (4 pcs)	Tk 46-Tk 48	14.63 ↑	28.77 ↑

SOURCE: TCB



Selim RF Hussain, managing director of Brac Bank, and Imran Karim, vice-chairman of Confidence Group, exchanged signed documents of an agreement on banking services at the bank's head office in Dhaka recently. PHOTO: BRAC BANK

Confidence Group to avail Brac Bank services

STAR BUSINESS DESK

Brac Bank recently signed an agreement with Confidence Group offering opening of salary accounts, multi-currency debit and credit cards, deposit pension scheme, fixed deposit, loan facilities etc.

Imran Karim, vice-chairman of

Confidence Group, and Selim RF Hussain, managing director of Brac Bank, signed the deal at the latter's head office in Dhaka, said a press release.

Mohammed Tariqul Islam, chief human resources officer of Confidence Group, Md Alamgir Akber, chief financial officer of

Confidence Infrastructure, Md Alamgir Kabir, chief financial officer of Confidence Power, Tareq Refat Ullah Khan, deputy managing director of the bank, Md Mahiul Islam, head of retail banking, and Ahmed Rashid Joy, head of credit risk management, were present.

Mutual Trust Bank closed a \$55m dual tranche syndicated financing facility

STAR BUSINESS DESK

Mutual Trust Bank has closed a \$55 million 1-year dual tranche syndicated financing facility arranged by Mashreq, a financial services provider in the Gulf Cooperative Council, Europe, USA, Asia and Africa.

The loan has been extended to support the international trade finance of MTB, the facility, which was subscribed by seven lenders spread over GCC, Africa and Europe, said a press release.

The Islamic Corporation for the Development of the Private Sector (ICD), the private sector wing of Islamic Development Bank Group, Habib Bank (the UK and Belgium), Bank Muscat, Doha Bank and Caixa Bank are included among the seven lenders.

The MTB organised a closing ceremony at its head office, where Syed Mahbubur Rahman, managing director of the bank, and Kazi Ziaul Islam, chief country representative of Mashreq Bank, were present.

Tafsir Ahmed, unit head of syndications was present as a representative of ICD, while Mustafa Aziz Ata, global head of FI and NBEI virtually joined the event along with all the representatives of the partner banks.

Aus growers to get

FROM PAGE B4

This incentive will be distributed at the field level soon, it added.

Aus is the third largest rice crop and farmers with 30 lakh tonnes having been produced in fiscal year 2021-22. For the current fiscal year (2022-23), the agriculture ministry aims to increase Aus production to 36.90 lakh tonnes out of the 4.27 crore tonnes of food grain, according to official data.

Japan GDP rebounds less than expected in Q4

AFP, Japan

Japan's economy expanded just 0.2 per cent in the last quarter of 2022, a smaller rebound than expected despite the long-awaited reopening of the country to tourists, government data showed Tuesday.

The figure for the three months to December fell short of the 0.5 per cent growth forecast by analysts surveyed by Bloomberg, with the world's third-largest economy growing 1.1 per cent for the calendar year.

Japan reopened its doors to tourists in October after two-and-a-half years of tough Covid-19 restrictions, lifting a cap on the number of arrivals and ending a rule requiring visitors to come on

package tours.

In 2019, a record 31.9 million foreign visitors came to Japan, putting the country on track for its goal of 40 million by 2020, when Tokyo was supposed to host the Summer Olympics. But in 2021, the figure plummeted to just 250,000.

"Japan saw moderate growth in Q4 2022," Hiroyuki Ueno, senior economist at SuMi TRUST, said in a note before the data was released.

"Consumer services benefitted from an increase in domestic travel and a rise in inbound tourists," he wrote.

"Exports were resilient, reflecting the easing of supply constraints on automotive-related goods and moves to restore inventories overseas."

Moscow's decades-old gas ties with Europe lie in ruins

REUTERS, Novy Urengoy, Russia

Meticulously crafted over decades as a major revenue stream for the Kremlin, Moscow's gas trade with Europe is unlikely to recover from the ravages of military conflict.

After President Vladimir Putin's "special military operation" in Ukraine began almost a year ago, a combination of Western sanctions and Russia's decision to cut supplies to Europe drastically reduced the country's energy exports.

The latest sanctions, including price caps, are likely to disrupt oil trade further but it is easier to find new markets for crude and refined products than for gas.

Russia's gas trade with Europe has been based on thousands of miles of pipes beginning in Siberia and stretching to Germany and beyond. Until last year, they locked Western buyers into a long-term

supply relationship.

"Of course, the loss of the European market is a very serious test for Russia in the gas aspect," Yuri Shafrenik, Russian fuel and energy minister from 1993 to 1996, told Reuters.

A former senior manager at Gazprom was more direct.

"The work of hundreds of people, who for decades built the exporting system, now has been flushed down the toilet," the former manager told Reuters on condition of anonymity for fear of reprisals.

Current employees, however, say it is business as usual.

"Nothing has changed for us. We had a pay rise twice last year," a Gazprom's official, who is not authorised to speak to press, told Reuters in Novy Urengoy. The Arctic city is often referred to as Russia's "gas capital" because it was built to serve the biggest gas fields.



Nur Mohammed, chairman of Jamuna Bank, inaugurated a sub-branch in Shibganj upazila of Chapainawabganj recently. Mirza Elias Uddin Ahmed, managing director of the bank, was present. Md Belal Hossain, a director, later inaugurated two more at Godagari in Rajshahi and Sotihat in Naogaon. PHOTO: JAMUNA BANK

Delta Life fined Tk 20 lakh for breaching rules

STAR BUSINESS REPORT

Delta Life Insurance Company Limited has been fined Tk 20 lakh for violating insurance regulations for the 2015-2017 period. On January 25, the Insurance Development and Regulatory Authority (IDRA) imposed the penalty after a hearing on the findings of a special audit into the insurer. At the hearing, nine audit objections were proved to be true and the insurer was fined, according to a letter of the regulator sent to Delta Life on February 12. The regulator has asked the company to deposit the fine within 15 days.

BD Thai Food makes Tk 1.47cr profit in Q2

STAR BUSINESS REPORT

BD Thai Food & Beverage Ltd made a profit of Tk 1.47 crore in the October-December period of the current financial year, up 13 per cent year-on-year. The food manufacturer clocked a profit of Tk 1.30 crore in the second quarter of 2021-22. Thus, the food and beverage maker reported its earnings per share (EPS) of Tk 0.18 for the second quarter of 2022-23. It was Tk 0.16 in the same three-month period of FY22, according to the company's unaudited financial statements.

The food manufacturer clocked a profit of Tk 1.30 crore in the second quarter of 2021-22

In the first half of FY23, it raked in Tk 3.83 crore in profit, up from Tk 2.53 crore in the July-December of FY22. The net operating cash flow per share returned to positive territory in July-December: it stood at Tk 0.18 in the first half of FY23, which was Tk 0.39 negative in the same half of FY22. Its net asset value per share rose to Tk 14.59 on December 31 from Tk 14.12 as on June 30. Shares of BD Thai Food slipped 4.16 per cent to Tk 36.90 on the Dhaka Stock Exchange yesterday.



Reba Biswas sorts tomatoes upon harvest at Bakultola village of Khulna's Dumuria upazila, hoping to get Tk 5 per kilogramme at wholesale. The photo was taken last week. PHOTO: HABIBUR RAHMAN

FBCCI calls for long-term industrial loans

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has called for a long-term industrial loan facility so that no business becomes "sick" in terms of financial health. FBCCI President Md Jashim Uddin made the call during the second meeting of the FBCCI's "Standing Committee on Rehabilitation of Sick Industries" at its office in Dhaka yesterday. Jashim said if a factory is set up with a bank loan, it can be seen that the loan period expires before the work is completed. As a result, the entrepreneur becomes a loan defaulter before production starts at his factory. "So, due to the lack of a long-term credit facility, the industry becomes sick," he added. Uddin went on to say that once entrepreneur becomes a loan defaulter, it is not possible to settle his debt easily due to procedural complications. With this backdrop, the FBCCI president drew the attention of policymakers to facilitate the process of rehabilitation and disposal of sick industries. It was also informed in the meeting that Bangladesh Bank has already issued two circulars to settle the debt accounts of sick industries. Maksudur Rahman, former director of the FBCCI and a member of the committee, wants proper implementation of the circulars. It is necessary to formulate a "sick industrial policy" to remove complexities in the process of disposing of sick industries, said Sadeque Ullah Chowdhury, chairman of the committee.

City General Insurance makes Tk 15.34cr profit

STAR BUSINESS REPORT

City General Insurance Company Ltd reported a 34 per cent year-on-year growth in profit in 2022 on the back of higher premium incomes. The insurer said it made a profit of Tk 15.34 crore last year, up from Tk 11.45 crore in 2021. Thus, the company reported earnings per share of Tk 2.25 for last year, which was Tk 1.68 a year earlier. "The EPS increased due to a significant rise in the company's premium income," said City General Insurance in a filing on the Dhaka Stock Exchange. The net asset value per share, which is the value of an entity's assets minus the value of its liabilities, improved to Tk 18.57 from Tk 17.53 in 2021. "The NAV per share went up because of a hike in the company's investments in shares, treasury bonds and fixed deposits," said the filing. The net operating cash flow per share, which represents the cash impact of a company's net income from its primary business activities, more than doubled to Tk 5.59 in 2022 from Tk 2.75 a year earlier, driven by a sharp increase in premium incomes. The board of directors of City General Insurance recommended a 10.50 per cent cash dividend for the year that ended on December 31. Its shares ended 4.05 per cent lower at Tk 28.40 on the Dhaka Stock Exchange yesterday.

HSBC gets new country head of wholesale banking

STAR BUSINESS DESK



The Hongkong and Shanghai Banking Corporation (HSBC) has appointed a new country head of wholesale banking in Bangladesh, effective from February 13 and subject to regulatory approvals. The appointee, Gerard Kevin Haughey, brings almost 25 years of experience working in all business lines and multiple functions in HSBC across Asia, Europe and North America, said a press release. He most recently co-led the bank's global trade and receivables finance business in the UK, providing a full range of working capital solutions to clients. Commenting on the appointment, Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh, said, "Bangladesh is one of Asia's dynamic emerging economies. Gerard's wealth of experience in diversified functions and continents will further complement our leadership position in Commercial Banking regionally and will build upon the momentum we have already created, serving our customers in Bangladesh even better."

Dollar slips with inflation in focus

REUTERS, London

The dollar fell on Tuesday ahead of a keenly anticipated US inflation report, while the euro and sterling strengthened after European data underlined the resilience of the labour market across the region. The dollar index, which measures the performance of the US currency against six major rivals, fell 0.3 per cent to 102.89 ahead of January's consumer price report. Markets are looking to inflation data for further clues on the Federal Reserve's policy outlook, with the headline number expected to have risen by an annual 6.2 per cent in January according to a Reuters poll, easing from December's 6.5 per cent rate. "The US inflation problem is not yet completely solved, and though some key pieces of the rebalancing process are underway, the Fed needs to keep growth below potential to further rebalance the labour market and bring inflation back to target," said Isabella Rosenberg, FX analyst at Goldman Sachs. She added that "if inflation continues to drift lower despite very strong labour market gains, then the macro backdrop could continue to push towards dollar depreciation". The US central bank earlier this month raised interest rates by 25 basis points and said it was turning the corner in its fight against inflation. Money markets show traders are pricing for US interest rates to peak at around 5.2 per cent in July and ending the year at 4.9 per cent, moving away from earlier expectations for sharper rate cuts later this year.

Rice market totally deceitful

FROM PAGE B1 Prof Alam also talked about the challenges facing the economy. "The biggest challenge in our economy is high inflation as the prices of many products have risen," he said. The Consumer Price Index rose 8.57 per cent in January, a decrease of 14 basis points from 8.71 per cent in December. January's inflation figure was the lowest since August when consumer prices surged to a 10-year high of 9.52 per cent. The prices of raw materials and fuel oil have gone up owing to the disruptions caused by the Russia-Ukraine war, driving up the cost of production and thus impacting the price level. Alam ruled out any connection between the increase in prices of some products and the conditions tagged

with the \$4.7 billion loan from the International Monetary Fund (IMF). "We had to reduce the subsidy and raise the prices of some items even if the IMF did not approve the loan," he said. The state minister said the agricultural sector was doing well and the service sector was also witnessing better growth. He also claimed that the inequality between the rich and the poor had narrowed and the government had taken many steps to bring it down. The government has provided assistance to 2.5 crore people and has distributed books free of cost, he said, citing examples. "You will see mobile phones in the hands of every people, and colour televisions in their houses. You will not find anyone who walks barefoot. The inequality has narrowed."

USTR alleges Bangladesh

FROM PAGE B1 Bangladesh will strictly abide by the IPR once it makes the United Nations status graduation from an LDC to a developing nation in 2026, Rahman quoted the reply as saying. Bangladesh is getting ready to follow the IPR rules, he said. On February 10, the USTR sent a letter to the commerce ministry alleging that the IPR of the American

Apparel & Footwear Association (AAFA) had been violated. The AAFA and the USTR regularly check if products that are imported to the US have been produced flouting IPR rules. The US is the single-largest export destination for Bangladesh where the local suppliers exported goods worth more than \$10 billion last fiscal year of which 95 per cent were garment items.

Credit cards issuance grows at faster pace

FROM PAGE B1 Many carry multiple credit cards to enjoy offers by banks and firms, said the official of the MTB, which has issued 105,000 cards so far. Hossain then said the MTB gave more focus on credit cards in 2021 and got a good response as the MTB

card users can use the MTB's airport lounge. Syed Mohammad Kamal, country manager of MasterCard Bangladesh, said the rule of tax return submission has affected the growth momentum. The growth could have been higher, he added.

State-run oil companies see higher profits

FROM PAGE B1 About the reasons behind the increase in sales, Islam said power cuts were acute between July and December, which raised the consumption of fuel. "Thus, profits increased." Jamuna Oil Company's fuel sales rose 20 per cent to Tk 71 crore. Responding to a question on the impact of the recent fuel price hike, Islam said fuel price fluctuations had little impact on the company's earnings, which were fixed on the rate of sales. The prices of diesel and kerosene were raised by 42.5 per cent in August. The price of petrol saw a 51.16 per cent jump and octane became dearer by 51.68 per cent. Interest income rose in July-December as banks were offering a higher deposit rate. "It helped us log higher profits," Islam added. The state-run company's interest income increased 72 per cent to Tk 210 crore. Its bank deposit amounted to Tk 1,392 crore as of December 31. Reza Md Riazuddin, company secretary of Meghna Petroleum, echoed

the sentiment, saying the main reason for the higher profits was a larger non-profit income and most of that came as interest income from bank deposits. Profits of Meghna Petroleum rose 33.7 per cent to Tk 184 crore in the first half of the financial year. Non-operating income rose 40 per cent to Tk 180 crore. Fixed deposit of Meghna Petroleum stood at Tk 1,283 crore as of December 31, 2022. As banks were more flexible in offering a higher interest against deposits, with the ceiling set at 6 per cent on April 1 of 2020, the interest income rose in the period, Riazuddin said. In August 2022, the Bangladesh Bank asked banks not to set interest rates on fixed term deposits below the inflation rate as it yields negative returns for savers. The weighted average interest rate on deposits stood at 3.97 per cent in June while the average inflation rate was 5.56 per cent, showed data from Bangladesh Bank and the Bangladesh Bureau of Statistics (BBS).

After the central bank's instruction, banks started to offer higher interest rate on deposits. At the end of December, the weighted average interest rate on deposit rose to 4.23 per cent, BB data showed. Sales of Meghna Petroleum were higher as the economy was recovering from the pandemic-induced slowdown, Riazuddin added. Sales of the petroleum products of Meghna Petroleum rose 8.4 per cent to Tk 116 crore between July and December. Sales of Padma Oil were also 14 per cent higher at Tk 139 crore in the six-month period. It was Tk 122 crore in the same period of the previous year. It logged a 38 per cent year-on-year higher profit of Tk 158 crore in the July to December period. The non-operating income, which refers to the interest income on bank deposits, rose 28 per cent year-on-year to Tk 168 crore. The company's profits rose due to the higher sales and increase in non-operating income, said Padma Oil in its financial report.

Govt's higher borrowing from BB

FROM PAGE B1 government's net borrowing from the banking system stood at Tk 40,210 crore as of February 9. Besides, the interest rates on treasury bills and bonds would have surged if the government had taken funds from commercial banks, Hussain said. The interest rate on the 20-year treasury bond shot up to 8.89 per cent in January in contrast to 7.67 per cent the year before. And Hussain says it would not be possible for the central bank to keep the interest rates of T-bonds below 9 per cent if the government prefers to borrow from commercial banks. "Under such a situation, there will be a mismatch between the interest rate ceiling of 9 per cent on loans and the yield of the government securities." Banks are following the interest

rate ceiling since April 2020 in line with a central bank's instruction. The ongoing weak revenue mobilisation is partly responsible for the government's heavy borrowing from the banking system. The tax collection growth slowed drastically in the first half of the current fiscal year due to falling customs tariffs and direct taxes amid declining imports and reduced profits of firms. The National Board of Revenue clocked an 11 per cent year-on-year growth in tax receipts in the July-December period, down from 17 per cent a year earlier. Foreign financing has declined in recent months and it came at a time when the government failed to cut its expenditure in line with the target, forcing it to take funds from the central bank heavily, Hussain said. Syed Mahbubur Rahman,

managing director of Mutual Trust Bank, says that government borrowing from the central bank can be considered positive for commercial banks since the latter is experiencing liquidity stress. "If the government borrows from commercial banks, they will be in trouble." Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue, said although lower borrowing from commercial banks is good for them, it may stoke inflation. The drastic fall in net investment in savings certificates in the first half of the financial year has also compelled the government to turn to the BB for funds. Net investment in the savings tools was a negative Tk 3,107 crore between July and December in contrast to Tk 9,590 crore during the same period a year before.

Oil prices dip on US crude reserve release

REUTERS, London

Oil prices dipped on Tuesday after the US government said it would release more crude from its Strategic Petroleum Reserve, while traders look out for US inflation data for further queues. Brent crude futures fell 80 cents, or 0.9 per cent, to \$85.81 per barrel by 1003 GMT, while US crude futures fell \$1.05, or 1.3 per cent, to \$79.09 per barrel. Both benchmarks are on track for their biggest daily percentage drop since February 3. The US Department of Energy (DOE) said it would sell 26 million barrels of oil from the SPR, which is already at its lowest level since 1983. The DOE had considered cancelling the fiscal year 2023 sale after US President Joe Biden's administration last year sold a record 180 million barrels from the reserve. But that would have required Congress to act to change the mandate. Supply concerns also eased after the Energy Information Administration said it expected record March production from the seven biggest US shale basins. Elsewhere, crude exports resumed at a key Turkish port after a devastating earthquake rocked the region. Monthly reports from the Organization of the Petroleum Exporting Countries (Opec) are expected later on Tuesday and from the International Energy Agency (IEA) on Wednesday. Traders will also be looking for clues from Tuesday's crucial US consumer price index (CPI) data for January. US monthly consumer prices rose in the previous two months. A Reuters poll showed a majority of economists expect the US Federal Reserve to raise interest rates at least twice more in coming months. Higher inflation and ensuing rate hikes may weigh on risk assets such as oil.



Any worker, including lactating mothers, who was employed in the garment and leather sectors up till February 2020 was eligible to receive money from the fund, which was formed on the basis of financial support from the European Union and the German government.

PHOTO: STAR

Poor disbursement of stimulus fund for retrenched workers

Only Tk 9 crore paid out in two years under Tk 1,500-crore scheme

MD ASADU ZAMAN

More than two and a half years ago, the government took a Tk 1,500 crore safety net programme for the workers who lost their jobs owing to the devastating impact of Covid-19.

It targeted to disburse Tk 3,000 a month among 10 lakh retrenched workers in the export-oriented garment, leather and footwear sectors for a three-month period till the financial year of 2021-22.

The scheme promised to provide some respite to the laid-off, disabled and insolvent workers since the pandemic-induced economic crisis has left them without regular income streams or with reduced earnings. But in reality, the initiative did not turn out as viable.

As of October 2022, the labour and employment ministry was able to disburse only Tk 9 crore among 9,784 workers, saying it is not getting expected number of "legal beneficiaries" having proper documents.

However, rights bodies and experts termed the scheme as a "failure", saying one of the reasons the scheme did not succeed was workers' associations were not included in implementing the initiative.

Any worker, including lactating mothers, who were employed in the garment and leather sectors up till February 2020 was eligible to receive money from the fund, which was formed on the basis of financial support from the European Union and the German government.

"The scheme should have been implemented quickly but it has not been possible because of a lack of a proper database of workers," said Syed Sultan Uddin Ahmmed, a former executive director of the Bangladesh Institute of Labour Studies.

He saw negligence on the part of both factory owners and the government's implementing agency.

"The factory owners don't want to acknowledge the issue of sacking workers since it will hurt their goodwill and may prevent them from accessing various support of the government. So, factory owners did not provide the information properly."

A majority of the workers who were rendered jobless were employed at small and informal garment factories, which have been kept largely out of the scheme.

Ahmed, a specialist on workers' activities at the International Labour Organisation's South Asia region, points out that India has formulated a central database during the pandemic and such a directory is needed for any kind of natural calamities.

Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said the disbursement did not reach its target as it was difficult to find the real retrenched workers.

"We tried our best but could not disburse the fund among enough workers. Only 110 to 120 factories were able to provide the beneficiary list. But the number of the workers who lost jobs

might be much higher."

He said the BKMEA was asked to provide the beneficiary list of the factories that had less than 500 workers. Other "complex conditions" were also there.

A major condition was to find out the "sacked workers", he said.

"Usually, we don't fire them. Even if some of them were fired, they might be recruited by other factories," he said.

As of October 2022, the labour and employment ministry was able to disburse only Tk 9 crore among 9,784 workers

Hatem said the authorities could have disbursed the fund using a list of workers who received reduced payments throughout the pandemic or as per recommendations of factory owners.

The entrepreneur described the per person allocation of Tk 3,000 as a very low amount.

Salauddin Swapan, general secretary of the Bangladesh Garments Workers Unity Council, said the government should include the platforms working to protect the rights of workers in order to prepare a proper beneficiary list.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said it did not send any list of beneficiaries to the authorities.

"Truly, there is no such unemployment in our factories. We searched for such names but did not find any."

He said at the onset of the pandemic, some of the workers left factories as production was shut for nearly two months after the government enforced a countrywide lockdown to tackle the spread of the deadly virus.

"But they have been reemployed."

Md Abu Ashrif Mamud, acting director for planning, development and statistics at the labour department, said it could not disburse the fund due to a lack of a list of proper beneficiaries.

"If the number of jobless persons was 100, we were able to disburse the fund among 10 persons, who had legal ID cards."

The fund is disbursed directly to the mobile financial service accounts of workers.

"Everything is happening through a digital process and this is definitely a fair system. In the last two and half years, we have found discrepancies between the workers' NID cards and the ID card provided by their employers," said Mamud.

Possibly, he explained, the workers found the job using false information about their age or other information but the factories did not verify them. But when the factories tried to upload their information on the system to help workers claim the benefit under the scheme, they failed.

The government has added jute and frozen food sectors to the list of beneficiary sectors, he said. "This is an ongoing project and hopefully, we will be able to disburse more in the coming days."

Cybersecurity: The changing role of the board

SHAMEEM AHSAN

In an era of digital revolution, cybercrime has quickly evolved into today's fastest-growing form of criminal activity.

This will cost firms \$5.2 trillion globally in the next five years, meaning cyber security has become an obvious necessity, according to Accenture.

Yet, too often it is neglected by business leaders, more so in Bangladesh.

Here, the role of the board, as a body of senior executives and other key stakeholders, is becoming increasingly important.

The board must establish a "culture of cyber security" across the organisation to impede efforts of the company's adversaries and guarantee that the business will grow quickly in the future.

A robust cyber resilience strategy must be developed with input from all stakeholders in mind: executives who will implement it, IT professionals who know how technology works, legal teams that understand intellectual property issues, and marketing departments whose brands may be impacted by data breaches.

In Bangladesh, we can take cues from the rules on "Cyber Security Risk Management, Strategy, Governance, and Incident Disclosure by Public Companies" proposed by the US Securities and Exchange Commission on March 9, 2022.

The new regulations address questions like: Does the board consist of a cyber expert? What are their qualifications? How does the board monitor cyber risks? Does the business consider cyber risks when developing strategies, planning its finances and allocating capital?

The following are a few ways to create a strong ecosystem to enable cyber security decisions at the board level:

First, implement a cyber security framework and hold the management responsible for putting it into action and keeping track of it.

Holistic enterprise-level security is also needed, and the range of tools to prevent and detect attacks must be supplanted with policies and procedures to ensure that all employees understand their role in maintaining security.

It is also important for organisations to consider the security of third parties as industrial systems are becoming more digital as part of Industry 4.0.

Also, allocating adequate cyber security resources must continue to be a high priority.

Cybersecurity should no longer be seen as a luxury but rather an essential investment, especially for financial institutions.

A robust reporting mechanism must also be in place to assess the effectiveness of cyber security tools.

It is not a decision that can be made "once and done"; rather, it should be discussed regularly. The latest threat detection technologies, activities and authentication work with a lot of data and can be expensive for an on-premises setup, so the current shift towards cloud services is crucial.

Gartner predicts that demand for cloud-delivered security services will outpace demand for the entire security market. Alongside cyber protection, the boards must give emphasis to cyber resilience. Resiliency is more than just protection; it includes a strategy for recovery and ongoing operations.

Being resilient involves doing everything you can to prevent and identify a cyber incident as well as ensuring your ability to continue operating when an issue does occur. A board that invests only in protection is not managing the risk associated with getting up and running again in the event of a cyber incident.

The board may find it intimidating to manage cyber security. But a well-considered oversight strategy, thorough reporting, and a solid working relationship with the chief information security officer can help the board and management work together more effectively on this.

Make no mistake, cyber security is the responsibility of the entire board.

The writer is the managing director of eGeneration, general partner of Pegasus Tech Ventures and former president of BASIS.



Premier Cement posts Tk 112cr loss

STAR BUSINESS REPORT

Premier Cement Mills PLC suffered a loss of Tk 112.83 crore in the financial year that ended on June 30, 2022.

This was contrary to the Tk 65.17 crore profit the cement manufacturer made in the previous financial year of 2020-21.

Thus, the company reported consolidated negative earnings per share of Tk 10.70 for the last financial year. The EPS was a positive Tk 6.18 in FY21.

The consolidated net asset value per share fell to Tk 67.13 from Tk 79.83 while the consolidated net operating cash flow per share slipped to Tk 5.26 from Tk 6.31 in FY21.

The board of directors of Premier Cement Mills has recommended a 10 per cent cash dividend for the year that ended on June 30.

The cement company also published its financial reports for the first half of the current financial year.

It showed that Premier Cement made a profit of Tk 73.81 lakh in the second quarter of 2022-23, down from Tk 1.16 crore it made in the identical October-December period a year earlier.

Thus, the consolidated EPS fell to Tk 0.07 in October-December of FY23 from Tk 0.11 in the same period of FY22.

The EPS decreased due to an increase in raw material prices, resulting in increased cost of production, said the cement producer in a filing on the Dhaka Stock Exchange.

But it suffered a Tk 25.84 crore loss in the first half of FY23, owing to a loss it incurred in the first quarter.

Shares of Premier Cement were unchanged at Tk 44.50 on the DSE yesterday.



A farmer applies fertiliser in his paddy field at Dehergati village of Barishal's Babuganj upazila. The photo was taken recently.

PHOTO: TITU DAS

Aus growers to get Tk 57cr incentive

STAR BUSINESS REPORT

The government will provide an incentive of Tk 57.25 crore to farmers for Aus paddy cultivation, according to a press release from the agriculture ministry issued yesterday.

Under this incentive, 10 lakh small and marginal farmers across the country will get free seeds and fertilisers to cultivate Aus paddy, it said.

This incentive package includes five kilogrammes of seed, 10 kilogrammes of diammonium phosphate (DAP) and 10 kilogrammes of Muriate of Potash (MOP).

With the support, farmers would be able to cultivate one bigha of land.

The ministry also said incentives are being provided from its regular budget for agricultural rehabilitation assistance and the seeds and seedlings sector to increase the production of Aus paddy.

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