

PLI Asset's Tk 50cr mutual fund gets go-ahead

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission (BSEC) has given a go-ahead to a Tk 50 crore open-ended mutual fund named PLI AML 1st Unit Fund.

Open-ended mutual funds are not listed with the stock market, but one can buy them from a fund manager's office on the basis of its net asset value.

Similarly, investors can sell off fund units at any time at prices based on its current net asset value.

Yesterday, the BSEC approved its draft prospectus.

The sponsor of the mutual fund is Popular Life Insurance Company who initially invested Tk 25 crore and the rest Tk 25 crore is open for the general investors.

Each unit of the fund is Tk 10. PLI Asset Management is the fund manager while ICB Capital Management is its trustee. Brac Bank will act as custodian of the fund.

Virtual desk to connect Bangladesh, S Korea IT firms

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The government yesterday launched a virtual desk titled "Bangladesh IT Connect Portal - South Korea", which will help in establishing connections and business relations between the local IT industries with their East Asian counterparts.

Containing profiles of 80 local IT companies, the portal will be providing information required for the investment technology sector of the two countries.

It also aims at expanding business process outsourcing for local tech talents and freelancers and pave the way for the development of the country's "digital" and "smart economy".

Zunaid Ahmed Palak, state minister for ICT, launched the portal through a virtual event.

In the past 51 years of Bangladesh's independence, cooperation in various fields, including economy, has taken the relationship between Bangladesh and South Korea to a new height, he said.

The volume of trade between the two countries rose 38.71 per cent year-on-year to reach \$3 billion for the first time in 2022.

Last year, Bangladesh exported goods worth \$678 million to South Korea, which is 22.9 per cent more than that in the previous year.

The virtual desk was developed by Bangladesh Computer Council's Enhancing Digital Government and Economy project and the South Korean embassy in Bangladesh in order to create a business-to-business IT connectivity hub.

The portal will also facilitate arrangement of interviews between businesses of both countries.

Md Shamsul Arefin, secretary to the ICT Division, also spoke.

The government earlier opened similar portals dedicated for countries such as Japan, Singapore and Malaysia.



Annual container handling at the country's premier sea port of Chattogram decreased 2.54 per cent year-on-year in 2022 owing to a downward trend in foreign trade.

PHOTO: RAJIB RAIHAN

CPA to end forced shipment of empty containers

Upon request from main liners operators, shipping agents

DWAIPAYAN BARUA, Ctg

The forced shipment of empty containers from the yard of the Chattogram port is finally coming to an end, a positive development for foreign shipping liners as it would allow them to avoid the financial losses they have been incurring for the last six years.

During a meeting on Tuesday, the Chittagong Port Authority (CPA) assured the Bangladesh Shipping Agents Association (BSAA) and the Bangladesh Container Shipping Association (BCSA) that the practice would be discontinued.

Both BSAA Chairman Syed M Arif and BCSA General Secretary AS Chowdhury confirmed the development.

The CPA would soon issue an official order to this effect.

The port authorities may attach some conditions, including moving away empty containers through preferable vessels or shifting them to private off-docks after keeping them at the yard for three days, said an official of the port.

After being unloaded at the port, cargoes from a good number of import-laden containers are delivered from the port's premises. A portion of these empty containers are sent to inland container depots (ICDs), also known as private off-docks, for storage for the time being and the rest are kept at the port's yards.

Some empty containers are also

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imported for the shipment of export cargo and kept at the yards as well.

But in the wake of severe container congestion at the country's premier seaport for months in 2015 and 2016, the authorities introduced the forced shipment of empty containers to decongest the yard.

Though it is not practised in the global shipping trade, shipping agents said they had extended cooperation to the CPA at that time. The move helped ease congestion to a large extent.

The authorities enforce the forced shipment of empty containers whenever they pile up and the designated space for the boxes reaches its capacity.

But since the initiative has still remained in place, container-owning foreign main line operators (MLOs) are facing multiple challenges.

Usually, MLOs maintain long-term agreements with feeder vessel operators, which carry goods-laden as well as empty

containers to nearby ports in other countries. The deals clearly specify the allocation of slots in vessels, the discharge of containers at destination ports, and the cost.

But the port authorities implement the forced shipment of empty containers by loading them onto any anchored feeder vessel. And problems emerge when MLOs don't have any agreements with the vessels.

BSAA Chairman Arif told The Daily Star that the forced shipment causes problems for MLOs.

This is because feeder operators usually levy higher freight rates and may leave containers at a port where they are not supposed to end up when there is no arrangement between them, he said.

Arif said the port has not faced major congestion for the last several months due to a fall in import volumes and a lower stock of empty containers.

"But the CPA has continued the forced shipment."

Foreign MLOs, which operate containers in Bangladesh, have recently raised questions with their agents about the practice. This led the BSAA to write to the CPA on Saturday and request it to stop it.

On Monday, BCSA General Secretary Chowdhury also sent a letter to the CPA and made a similar request.

Both Arif and Chowdhury expressed satisfaction with the CPA's decision.

Outsourcing: opportunities and challenges

SALEKEEN IBRAHIM

In recent years, outsourcing has gained traction. Most business entities, including SMEs, are either thinking of or are already in the process of outsourcing business operations.

What do we really mean by outsourcing?

Outsourcing is a strategic decision by an enterprise to reduce costs and increase efficiency by contracting another individual or company to perform tasks, provide services, or handle operations that were previously done by employees within the enterprise.

The changing and challenging face of businesses and the need to stay ahead in the competition have forced companies to look for ways to reduce costs. As a result, outsourcing has become the solution for both the private and public sectors.

Entrepreneurs, who have availed outsourcing services, say it cuts costs and gives them flexibility. The main reason companies outsource is to reduce costs, especially non-core or peripheral business expenses, production costs, labour costs, and high government regulations or mandates.

Other high costs are also included like elevated rates of tax and greater energy costs. They also say it improves service quality and speed because it allows them to use specialist suppliers. By transferring non-core activities to an outside provider, enterprises say they can focus on their core business.

American tech giant Apple's core business, for example, is to design computers so that it has an edge over competitors. It outsources the manufacturing of its iPhones and iPods. The company says that it reduces costs considerably.

For a company to effectively outsource responsibilities, it is important to focus on the business partnership as much as logistics. Outsourcing is mostly managing relationships more than service-level agreements. It is a partnership, not a purchasing project. Preserving and securing a trusted bonding is essential in outsourcing efforts.

Cross-border outsourcing activity is one of the most popular trends in business today because of the benefits it offers. Companies pay less for goods and services, creating more wealth for shareholders and causing prices to go down or remain the same for consumers, raising the standard of living for the whole country.

For the country receiving the work, there is higher employment, more scope for skilled employees, higher revenues for the government in the form of payroll taxes, and a higher standard of living overall. It makes a win-win position for both the giver and the taker.

Although there are several progressive reasons to outsource, there are also some serious limitations to the practice.

At the time of outsourcing, the threat of losing sensitive data and confidentiality to external parties is high. There is obviously less grip on management control and there is the inability to control operations of activities or processes that are outsourced.

Outsourcing companies may impose hidden or unanticipated costs by creating lengthy contractual agreements with lots of troublesome and unforeseen disputes. There might be a lack of quality control as outsourcing companies are often profit-driven and time-bound rather than focused on customer satisfaction.

If we consider outsourcing some of our activities to a third-party supplier, it is important that we evaluate and estimate all the benefits and drawbacks. Outsourcing is extremely beneficial in most cases. However, if we do not choose the right service provider and know the pros and cons, we might end up having serious complications.

The author is a banker.



Crop disease decimating maize in Chuadanga

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A crop disease which has yet to be identified is devastating maize fields in the western district of Chuadanga, dashing the hopes of local farmers to turn a profit from producing the cereal grain.

Golam Faruq, director general of the Bangladesh Wheat and Maize Research Institute, said a three-member team of scientists was dispatched to investigate the situation yesterday.

"So, we will get to know the reason within a couple of days," he added.

Farmers say the disease initially causes the roots to dry out before eventually rotting, resulting in the damage of the corn cob during the milk stage.

"Some of my neighbours whose fields were affected sold their plants as cattle feed at half the price they would have received if the crop was ripe," said Md Mamun Hossain, a farmer of Kotali village under Chuadanga, a major maize producing district.

Hossain then said that one-and-a-half bighas of his four bigha plantation has been infected by the disease.

All in all, maize being grown on nearly 40 bighas of land in the region have been afflicted.

He went on to say that there was a similar outbreak of the disease in 2020, but the extent of damage is far more widespread this year.

Wasim Akram Royal, a farmer of the Darshana area in Chuadanga, said it is a really big problem for growers when any disease causes plant roots to rot.

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A farmer in Chuadanga, a major maize producing region, shows the damage to his corn caused by a crop disease that is now spreading throughout the western district. The disease first dries the plant's root before they eventually rot as a result.

PHOTO: COLLECTED

Bangladesh to buy 150,000 tonnes of TSP from Tunisia

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Bangladesh will import 150,000 tonnes of triple superphosphate (TSP) from Tunisia in 2023.

To this end, the Bangladesh Agricultural Development Corporation (BADC) signed a memorandum of understanding (MoU) with Tunisian Chemical Group (GCT) in Tunis, the capital of Tunisia, on Wednesday.

BADC Chairman Abdullah Sajjad and GCT General Manager Mohammad Ridha Chalhoun signed the agreement in the presence of Agriculture Secretary Wahida Akhtar and Deputy Secretary Badiul Alam, the agriculture ministry said in a press release issued yesterday.

BADC has been importing TSP from Tunisia on a government-to-government basis since

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