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Small businesses to get term loans from AIIB-funded BB scheme

**STAR BUSINESS REPORT**

The Bangladesh Bank yesterday said cottage, micro and small enterprises would receive term loans under its refinance scheme funded by the Asian Infrastructure Investment Bank (AIIB).

The central bank introduced the refinance scheme in June 2021 in order to help the cottage, micro, small and medium enterprises tackle the business slowdown emanating from the coronavirus pandemic.

The size of the loan of the AIIB was \$300 million, equivalent to Tk 3,210 crore.

The central bank initially said that clients would be allowed to receive working capital, whose repayment tenure is a maximum of one year, from the refinance scheme.

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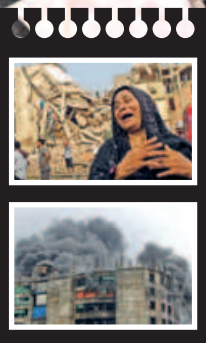
MAJOR FACTORY DISASTERS AND DEATH OF WORKERS

- Apr 11, 2005**  
Spectrum Sweater Industries, Savar, Dhaka  
64 people killed in building collapse
- Feb 23, 2006**  
KTS Composite Textile Mills, Chattogram  
65 workers killed in fire
- Feb 25, 2006**  
Phoenix Garments, Tejgaon  
21 workers killed in building collapse
- Feb 25, 2010**  
Garib & Garib Sweater Factory, Gazipur  
21 garment workers died in fire
- Dec 14, 2010**  
Sportswear Factory, Ashulia, Dhaka  
26 people killed in fire
- Nov 24, 2012**  
Tazreen Fashions, Ashulia, Dhaka  
112 workers killed in fire
- Apr 24, 2013**  
Rana Plaza, Savar  
1,136 people killed in building collapse
- July 8, 2021**  
Hashem Foods Limited, Narayanganj  
51 workers and staffers killed in fire



BIDA'S FACTORY INSPECTION: AT A GLANCE

- 5,206 factories inspected in November 2021- March 2022
- 138 teams carried out inspection
- Focused on the factories in chemical, plastic, and food-processing sectors
- Areas of inspection: Dhaka, Chattogram, Narayanganj and Gazipur
- 106 risky factories identified
- 17 need immediate corrective measures
- BIDA TO GIVE 3 MONTHS TO TAKE REMEDIAL MEASURES



Foodpanda lays off employees

**MAHMUDUL HASAN**

Foodpanda Bangladesh and its affiliates have laid off dozens of employees recently amid a significant fall in food delivery orders since customers are tightening their belts owing to higher inflation and deepening economic woes.

Employees of the platform, which also provides online grocery shopping, have witnessed a few waves of job cuts since the third quarter of last year and the latest cut comes this week, according to several current and former senior officials of the company.

In a statement to The Daily Star, Foodpanda said it laid off 20 people this week.

However, the accumulated figure of layoffs in the last six months is around 80, said the current and former officials, adding that some employees were also told to leave.

"As the global macroeconomic environment continues to be challenging, we, unfortunately, need to

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Bida identifies 106 risky factories

Set to give three months to improve conditions

JAGARAN CHAKMA

The Bangladesh Investment Development Authority (Bida) has identified 106 factories as risky for lacking required fire safety measures and having vulnerable working conditions under a nationwide initiative aimed at preventing fire incidents and other disasters.

In 2021, the Prime Minister's Office formed a 24-member national committee, headed by Salman F Rahman, private industry and investment adviser to the prime minister, in a bid to avoid preventable incidents after a fire at the Hashem Foods factory in Narayanganj left more than 50 dead.

As part of the move, 5,206 factories were inspected by the officials of the Bida between November 2021 and March 2022 in the first phase of the initiative in Dhaka, Chattogram, Narayanganj and Gazipur, home to a third of the factories in Bangladesh.

In December, the state-run investment promotion agency submitted the final report on the findings of the inspection to the national committee.

Out of the 106 factories, 17 are very vulnerable and need to comply with fire safety and environmental standards immediately in order to protect the workers from any health hazards, said Abhijit Chowdhury,

months," Salman F Rahman told The Daily Star recently. "Letters will be sent to the factories to improve their working environment. The factories that will fail to improve their conditions will be shut down."



an executive member of the Bida. The rest of the 89 factories can fulfil compliance standards in phases, he said.

The factories that have received a score of less than 25 on a scale of 100 have been classified as severely problematic and those having a score between 25 and 50 have been categorised as moderately problematic.

"Ultimatums would be issued to the problematic factories to correct themselves and ensure compliance within the next three

The decisions were taken at a meeting organised by the home affairs ministry, a key part of the national committee, on February 1.

According to Chowdhury, the Department of Inspection for Factories and Establishments (DIFE) has been given the charge to issue the letters to the factories to take corrective measures within three months.

"The DIFE will send the letters after receiving the meeting minutes."

He said the factories are operating without an environmental clearance certificate from the Department of Environment, and a licence from the Department of Fire Service and Civil Defence.

According to the findings of the Bida's inspection, in some cases, building codes were not followed, adequate fire safety measures were not put in place and fire hydrants were entirely absent.

In the first phase of the government's move to guarantee adequate infrastructure and fire safety measures at all industrial units across the country, the inspectors of the Bida focused on the factories in the chemical, plastic, and food-processing sectors.

A number of factories in the three sectors have seen devastating fires in the past one decade, killing thousands.

The readymade garment industry was not part of the inspection since apparel manufacturers, who account for about 85 per cent of national export earnings, are already compliant.

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NBR's back against the wall Says its chief

STAR BUSINESS REPORT

The revenue authority desperately needs to accelerate tax collection in order to enable the country to widen its capacity to spend more from its own coffers and cut reliance on external funds, said its chief yesterday.

"We have our back against the wall," said Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue (NBR), candidly.

He made the comment after the Bangladesh Cement Manufacturers Association (BCMA), the Bangladesh Steel Manufacturers Association, and the Bangladesh Auto Brick Manufacturers Association placed a number of proposals for tax benefits at a pre-budget meeting at the NBR's head office in the capital's Agargaon.

**The NBR clocked 11 per cent year-on-year growth in tax receipts, which amounted to Tk 145,431 crore in the July-December period of 2022-23**

The NBR organised the meeting to hear the views and concerns of businesses and stakeholders as part of its preparation to frame tax proposals for the fiscal year of 2023-24, which begins in July.

Muneem said business people approached the NBR when they fall in trouble and have their backs against the wall. The NBR is also in the same position, he said.

The NBR is given a target to raise revenues so that the government can implement development projects and meet the expenses of the country.

"You know about the jump in revenue targets. A lot of development activities are underway in the country. You need to keep this in mind," Muneem said.

Bangladesh has one of the lowest tax-to-GDP ratios in the world.

Tax collection growth slowed dramatically in the first half of the current fiscal year due to falling customs tariffs and direct taxes amid declining

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STOCKS	
DSEX ▲	CASPI ▼
0.01% 6,246.20	0.03% 18,427.95

COMMODITIES	
Gold ▲	Oil ▲
\$1,837.75 (per ounce)	\$78.80 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.07% 61,319.51	▲ 0.71% 27,696.44	▲ 0.93% 3,311.23	▼ 0.96% 3,249.03



Artisans work on intricate designs on women's clothing at a small shop in Pahartali area of Chattogram. Many such small-scale enterprises have complained that they are not being able to access loans under a government stimulus package dedicated to them, even after applying multiple times in the last two years.

PHOTO: RAJIB RAIHAN

Only 3.6% SME stimulus loans provided in Ctg

MOHAMMAD SUMAN

Small-scale enterprises of Chattogram are facing a crisis of capital in operating their business while banks have disbursed only 3.6 per cent of the loans allotted under a government stimulus package for cottage, micro, small and medium enterprises.

Many enterprises have complained to trade bodies and the Bangladesh Small and Cottage Industries Corporation (BSCIC) that the real victims are not getting the assistance, even after applying multiple times in the last two years.

In April 2020, Bangladesh Bank announced a Tk 20,000 crore stimulus package of the government for the SME sector to deal with the economic fallout caused by the coronavirus pandemic.

According to the Cottage, Micro, Small and Medium Enterprises (CMSME) and Loan Distribution Monitoring Committee in Chattogram district, which comprises stakeholders, 15 banks provided only Tk 29.99 crore in loans in the first quarter of the current financial year of 2022-23.

The disbursement target for this July-September period was Tk 834.66 crore. This means that only 3.6 per cent of the loan assistance has been provided.

The disbursement targets have not been fulfilled due to the slow disbursement process, according to the committee

members.

This loan has been provided to 192 Covid-19 affected entrepreneurs in Chattogram district alone. All the banks, except for Sonali Bank, are of the private sector.

A majority of the loans were provided by City Bank (Tk 12.81 crore), United Commercial Bank (Tk 4.52 crore), Prime Bank (Tk 2.43 crore), Pubali Bank (Tk 2.2 crore), AB Bank (Tk 1.90 crore) and Sonali Bank (Tk 1.37 crore).

Data for the second quarter (October-December) of financial year 2022-23 have not yet been submitted to the committee, so it is not yet known how many people received loan assistance during this period.

However, people concerned say that the loan assistance decreased during this period.

In the four quarters of financial year 2021-22, 22 banks provided a total of Tk 647.15 crore in loans to 1,552 entrepreneurs.

The loan interest rate was 4 per cent in the initial years but in the recent quarter the loan interest rate has been increased to 9 per cent.

However, most entrepreneurs want to take the loan through an easy process and at an interest rate lower than others currently on offer in the market.

Arif Ullah Chowdhury, owner of SA Borka

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Carpenters are seen making a boat for fishing in the sea. Generally, they use the timbers of mahogany trees to build such vessels, which are normally 60 feet long and 12 feet wide. Around a month is needed to make such a boat at a cost of about Tk 6 lakh. The picture was taken at an area housing a community of fishermen called Sharafpur in Dumuria upazila of Khulna on February 12.

PHOTO: HABIBUR RAHMAN

# Dearth of buyers shoots down stock market turnover

## STAR BUSINESS REPORT

Trade in the stock market of Bangladesh has dried up once again as buyers are uninterested in making fresh bets considering the unsatisfactory declarations posted by listed companies for the July-December period of fiscal 2022-23.

The DSEX, the benchmark index of the Dhaka Stock (DSE), dropped 37 points, or 0.6 per cent, to hit 6,246 points over the past week.

Average turnover of the Dhaka bourse, which indicates how much trading activity took place, declined by 34.9 per cent to reach Tk 422 crore at the same time despite repeated endeavours by the Bangladesh Securities and Exchange Commission (BSEC) to raise it.

Most institutional investors are inactive in the market, leading to lower turnover as individual investors are reluctant to

invest in a dry market, said a top official of a merchant bank, preferring anonymity.

Asked about their stance in this regard, he said the bank is not making any investments at present as they fear the funds could become stuck.

“Due to the floor price mechanism, the board directed us not to invest any fund. We will only be allowed to invest again if the market starts to rise strongly,” he added.

At the end July 2022, the BSEC set the floor price of every stock to halt the freefall of market indices amid global economic uncertainties.

The floor price of each stock was calculated based on its average closing price on July 28 last year and the preceding four days.

But in December, the market regulator lifted the floor price for 169 companies and set the circuit breaker in a way such that their stock prices would not be

allowed to drop more than 1 per cent based on the previous day’s closing price.

“As the stocks are not allowed to drop abiding by the companies’ performances, we cannot buy shares now. Moreover, we are waiting for the stocks to drop to their real lowest level,” the merchant banker said.

Around 70 per cent of the listed companies’ performance dropped during the July-December period of fiscal 2022-23, as per their financial reports posted with the DSE.

The BSEC needs to boost market confidence, lift the price mechanism and let share values be based on demand and supply to make the market sustainable, he added.

The stock market passed a gloomy week as investors mostly followed a cautious stance amid a liquidity crisis in the market, International Leasing Securities said in its weekly market review.

The market opened with a downward trend that sustained throughout the week, sans a moderate one-day rise.

“Panic-driven investors dumped their holdings and preferred to hold cash on hand because of the rumours of lifting the floor prices,” it said.

However, the regulator has not declared anything in this regard. The investors’ participation remained thin on the trading floor, which caused the average turnover to decrease, it added.

All sectors witnessed price correction except tannery, which rose 1.1 per cent, while the services and real estate sector dropped 3.9 per cent, general insurance fell 3.7 per cent and IT slid down 2.6 per cent.

Investor activity was mostly focused on the IT (13.8 per cent), food and allied (12.2 per cent), pharmaceuticals and chemicals (12 per cent), and miscellaneous (8.1 per cent) sectors.

## StanChart unveils Ramadan offers for customers

### STAR BUSINESS DESK

Standard Chartered Bangladesh has partnered with an assortment of vendors across various segments to bring the best offers and deals to clients and customers across Bangladesh ahead of the month of Ramadan.

Among the offers, the British multinational bank will bring amazing deals on iftar, dinner and sehri. It offers discounts and accessories, including high end jewellery, will ensure customers are ready for upcoming celebrations with family friends, said a press release.

A number of offers on gadgets, home appliances, furniture, and personal care items will also be available. Online shopping will become even easier thanks to better discounts.

Even the bank’s customers can avail Eid getaway with great deals from our travel partners, including slashed prices on resorts, hotels, airlines, and online travel agency services.

Standard Chartered customers will get up to 50 per cent discount on the aforementioned offers, which were only limited to fashion houses and sought-after retail brands in the past.

## Singer wins Superbrands Award

### STAR BUSINESS DESK

Singer Washing Machines has won Superbrands Award by London-based Superbrands Worldwide, a global arbiter for brands operating in 90 countries.

The company has achieved the award in washing machine category for 2023-2024, said a press release.

Chandana Samarasinghe, marketing director of Singer Bangladesh, and Kazi Rafiqul Islam, sales director, along with other top officials received an award from Mohammad Abdul Momen, professor and director of the Institute of Business Administration at the University of Dhaka at a hotel in Dhaka recently.

“We thank Superbrands for the recognition. It will encourage us to invest more on new products and technologies in the years to come and provide even better solutions to the Bangladeshi consumers,” said Samarasinghe.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 16, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	1.5 ↑	5.47 ↑
Coarse rice (kg)	Tk 48-Tk 52	2.04 ↑	5.26 ↑
Loose flour (kg)	Tk 58-Tk 60	-1.67 ↓	68.57 ↑
Lentil (kg)	Tk 95-Tk 100	-4.88 ↓	0
Soybean (litre)	Tk 168-Tk 172	0.59 ↑	9.68 ↑
Potato (kg)	Tk 20-Tk 25	0	28.57 ↑
Onion (kg)	Tk 30-Tk 35	-18.75 ↓	-23.53 ↓
Egg (4 pcs)	Tk 46-Tk 50	17.07 ↑	29.73 ↑

SOURCE: TCB



Yasir Azman, chief executive officer of Grameenphone, and Kamal Quadir, chief executive officer of bKash, launched the new service at GPHouse in Dhaka recently.

PHOTO: BKASH



Arif Qadri, managing director of United Commercial Bank, handed over a cheque for medical equipment to Prof Abdul Gani Molla, director of the National Institute of Traumatology and Orthopaedic Rehabilitation at the latter’s auditorium in Dhaka on Wednesday. Subir Hossain, an assistant professor of the institute, and ATM Tahmiduzzaman, deputy managing director of the bank, were present.

PHOTO: UNITED COMMERCIAL BANK



Ekrumul Hoque, chairman of the board audit committee of Shahjalal Islami Bank, presided over the bank’s 249th audit committee meeting at its corporate head office in Dhaka on Wednesday. Mohammed Younus, chairman of the bank, and Mosleh Uddin Ahmed, managing director, were present.

PHOTO: SHAHJALAL ISLAMI BANK

## Grameenphone introduces bKash as preferred payment partner

### STAR BUSINESS REPORT

Leading mobile phone operator Grameenphone recently introduced mobile financial service provider bKash as its preferred payment partner.

bKash will be the primary payment option to facilitate one tap payment experience for the customers in the MyGP app of the mobile phone operator, according to a joint statement released on Wednesday.

Grameenphone customers can now avail quick and seamless payment through bKash.

Yasir Azman, chief executive officer of Grameenphone, and Kamal Quadir, chief executive officer of bKash, launched the new service at GPHouse in Dhaka.

“Grameenphone and bKash have collaborated to make our customer payment experience within MyGP more simplified, convenient and faster with the one tap payment solution,” said the Grameenphone CEO.

“We will keep working in such a way so that others can also implement it in the future...our aim is to facilitate easy and convenient services for customers,” said bKash CEO.

This integration, which is the first of its kind in the industry, will simplify the digital lifestyle of the customers with hassle-free, convenient and secured payment with one tap, according to the statement.

Once a customer binds bKash as the preferred payment method, he/she will no longer need to put in OTP/PIN every time and the payment will be done with a tap of digital consent from the bKash account on the go.

Solaiman Alam, chief digital and strategy officer of GP, and Mohammad Sajjad Hasib, chief marketing officer, and Mohammad Azmal Huda, chief product and technology officer of bKash, and Ali Ahmed, chief commercial officer, were present.



Mohammad Shahbir, deputy general manager of Sonali Bank, and Prof Ferdousi Khan, principal of Government Bangla College, exchanged signed documents of an agreement on payment gateway services at the latter’s auditorium in Dhaka yesterday. Subhash Chandra Das, deputy managing director of the bank, Md Moniruzzaman, Md Arshad Hossain, general managers, and Prof Md Jahangir Hossain, vice-principal of the college, were present.

PHOTO: SONALI BANK



Md Faridul Haque Khan, state minister for religious affairs, delivers speech at a meeting with the Hajj Agencies Association of Bangladesh organised by Islami Bank Bangladesh at a hotel in Dhaka on Wednesday. Mohammed Monirul Molla, managing director of the bank, presided over the meeting, where Abdul Awal Hawlader, Md Matuil Islam, additional secretaries of the ministry, Md Omar Faruk Khan, and JQM Habibullah, additional managing directors of the bank, were present.

PHOTO: ISLAMI BANK BANGLADESH



## FDI reporting time slashed for firms, dealer banks

STAR BUSINESS REPORT

The Bangladesh Bank has cut down the time for foreign direct investment receiving and sending firms and their dealer banks to submit FDI reporting forms and supporting documents to the central bank.

All FDI recipients and sending firms, both 100 per cent foreign-owned companies and joint ventures, had to hand in the FDI reporting form and supporting papers to their dealer banks on a quarterly basis within a month after the end of a quarter.

Now, they will get 20 days, according to a notice of the Bangladesh Bank yesterday.

Supporting documents include all audited and un-audited financial statements and papers outlining both inward and outward FDIs.

**In 2021-22, gross FDI inflows were \$4.64 billion, recording an increase of \$1.25 billion, or 36.9 per cent, year-on-year. FDI stock was \$20.5 billion at the end of the last financial year**

The authorised dealer banks will verify the reporting forms. Afterwards, they will submit them to the central bank within a month after a quarter comes to an end. It was one month and 15 days previously.

Despite being a strong manufacturing destination, Bangladesh has not been able to attract a higher level of FDI.

The net FDI flow to the country stood at \$3.4 billion in the last fiscal year of 2021-22, up about 36 per cent from \$2.5 billion a year earlier, BB data showed.

The FDI comes in three forms: equity capital, reinvested earnings, and intra-company loans.

Net equity capital rose about 65 per cent year-on-year to \$1.35 billion in FY22. It was \$816.17 million in FY21. Reinvested earnings stood at \$2.04 billion, up 28.93 per cent from \$1.59 billion in FY21. Intra-company loans, however, contracted 54.47 per cent to \$47.90 million from \$105.20 million in 2020-21, according to the central bank data.

In 2021-22, gross FDI inflows were \$4.64 billion, recording an increase of \$1.25 billion, or 36.9 per cent, year-on-year. FDI stock was \$20.5 billion at the end of the last financial year.



PHOTO: AKLAKUR RAHMAN AKASH

A worker is seen collecting eggs from a poultry farm at Dhamrai, Dhaka. Called the Nikhil Poultry Farm, it has 7,000 birds that produce 6,300 eggs daily. Nikhil Chandra Das, the owner, says he gets Tk 10.6 per egg against a production cost of Tk 9.

# Tax waived loans or their interest: ICMAB

STAR BUSINESS REPORT

Cost and management accountants yesterday proposed that the government tax either loans waived by commercial banks and non-bank financial institutions or the interest accrued on the loans to discourage defaulting on loans.

The proposal was placed at a pre-budget meeting organised by the National Board of Revenue (NBR) at its headquarters in the capital's Agargaon.

"We are proposing for inclusion of the provision to discourage the practice of loan default and interest waiver," said Abdur Rahman Khan, president of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), at the event.

The NBR organised the meeting to hear views and concerns of businesses and stakeholders as a part of its preparation to frame tax proposals for fiscal year 2023-24 beginning from July.

NBR Chairman Abu Hena Md Rahmatul Munem chaired the event where the Institute of Chartered Secretaries of Bangladesh (ICSB) also submitted some proposals of their own.

"This is necessary for equity. The removal of waiver of interest on loans will also increase government's revenue collection," Khan said.

The suggestion comes at a time

when the amount of defaulted loans is increasing, with many banks waiving interest on loans to recover the money.

The ratio of default loans to total outstanding loans as of September 2022 was 9.36 per cent.

The total amount of outstanding default loans was Tk 134,396 crore, showed data from Bangladesh Bank.

As per existing provision of income tax, loans and interest waived by commercial banks are not treated as income and so are not taxed, said the ICMAB.

In its proposal, the ICMAB also urged that the NBR automate the selection process for auditing tax returns, saying that because of the manual process of tax file selection, many taxpayers are repeatedly being selected for audits although it should not be.

"Audit should be selected in an automated manner to eliminate harassment," said Khan, adding that he knew a person whose tax file came under audit of the field office for eight consecutive years.

The ICMAB said in many cases tax returns were selected for audits at the wish of the tax authority.

"This practice will stop if automation is done. It is essential," said Khan.

The ICMAB said automated audit selection would also increase revenue.

"Unwanted hassle will decrease. It will bring harmony among the taxpayers," added Khan.

On the provision making it compulsory for holders of taxpayer identification numbers (TINs) to submit tax returns, the ICMAB said it should be scrapped for people who do not have taxable income.

Because of the rule, a TIN holder has to prepare returns, which involves costs, even in cases when one does not have taxable income, he said.

A 90-year-old has to submit returns for the law although the person may not have taxable income. It could be that the person cannot even sign for age-related complications, Khan said.

"What is the benefit of wasting papers?" he asked.

The ICMAB also suggested the tax authority offering an amnesty—that returns of taxpayers informing of wealth of up to Tk 25 lakh would not fall under audits.

"This will encourage new taxpayers to furnish returns," he said.

The ICSB, in its proposal, suggested that the NBR increase the tax-free income limit to Tk 700,000 annually from the existing provision of Tk 300,000. "We propose the measure as the living standard of lower and middle class has eroded for high inflation and the rising cost of living," said ICSB President Mohammad Asad Ullah.

## Bida identifies 106

FROM PAGE B1

In Bangladesh, factories need to follow national building codes and ensure fire safety measures and environmental standards. But Chowdhury said the 106 factories could not fulfil the requirement, which poses a threat.

The vulnerable factories are located in Keraniganj of Dhaka and Narayanganj and represent the chemical, plastic and knitwear sectors.

It was found that plastic and chemical industries in Keraniganj don't have minimum fire safety and environmental protection measures which is a health hazard, and accidents may occur any time, Chowdhury warned.

The central coordinator of the inspection teams said a number of knitwear factories, mainly small units, in Narayanganj don't maintain minimum safety standards.

Razekuzzaman Ratan, president of the Socialist Workers' Front, welcomed the Bida's initiative since it has started inspecting factories proactively and

identified the risky ones.

"The factories should implement the corrective measures as soon as possible. Otherwise, the national initiative will go in vain."

He stressed strong monitoring to see whether the vulnerable factories are taking corrective measures within the stipulated time.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, also termed the initiative of the Bida praiseworthy.

He, however, does not think that shutting down factories with dangerous working conditions should be a solution.

"Rather, the authorities would have to extend cooperation to them so that they correct themselves and improve the working environment."

The economist urged the Bida to make the inspection report public on its website since it is related to public safety and stressed regular monitoring led by the Bida in association with other agencies such as the DIFE.

## Foodpanda lays off employees

FROM PAGE B1

make the difficult decision to downsize some of our teams," Foodpanda said.

"We are doing all we can to support the impacted employees during this transition," it said, referring to its employee assistance programmes and insurance and other benefits.

A former employee who was terminated earlier this week said he was given full benefits as a part of the severance package.

"Still, I am dejected as I worked hard to help this company grow," he added.

Foodpanda, a subsidiary of the Berlin-based Delivery Hero operating in 14 countries, is also cutting jobs in some other markets.

It appears that many of the affected staff were based in Malaysia, as per a number of LinkedIn posts. However, Foodpanda has laid off staff across the Southeast Asian markets it operates in, reports Tech in Asia, a

technology news provider.

Foodpanda's business in Bangladesh had boomed since the beginning of the coronavirus pandemic as people were forced to move online to make purchases.

As Uber Technologies closed the operations of its food delivery platform, Uber Eats, in June 2020, Foodpanda got another shot in the arm.

It went through a massive expansion by receiving abundant cash from Delivery Hero and started food delivery in all 64 districts of the country by the second week of December 2020.

It also launched a grocery shopping platform called Pandamart at the end of 2020.

Riding on its mega discount offers, its per-day delivery numbers surpassed 1 lakh on a number of occasions in the first half of 2022.

Foodpanda's dominance grew so much that Shohoz was also compelled

to close its food delivery service after failing to compete, according to industry people.

But Foodpanda's supremacy came at a cost: in order to ascend to the top, the company had to subsidise its operations with a huge amount of money.

According to Delivery Hero's financial reports, its operations in Bangladesh incurred losses of 17.1 million euros in 2020 and 23.22 million euros in 2021.

But in late 2022, the parent company compounded its pressure on the top local officials to attain profitability, according to insiders.

Amid pressure, Foodpanda has imposed a "platform fee" of Tk 3 since August, payable on every order by the customer.

But as the economic downturn intensified, orders outside Dhaka fell sharply while orders inside Dhaka also saw a significant decrease.

HungryNaki, Alibaba's food

delivery affiliate in Bangladesh, also scaled down operations and laid off a majority of its employees in the second half of last year.

As Foodpanda cut the subsidy, the order number dropped. It shrank its operations outside the capital. Despite the job cuts and cut in expenses, profitability has remained elusive for the company, according to an industry expert.

"In recent months, we have seen a challenging time for a lot of quick commerce platforms," said AKM Fahim Mashroor, chief executive officer of bdjobs.com.

"In other countries like India and Pakistan and a few other Southeast Asian countries, a number of food delivery and instant grocery platforms have been shut down or they cut back their operations."

"Companies need to be efficient to sustain during this difficult time. Only discounts can't make a business feasible in the long run."

## Southeast Bank gets two new DMDs



Abidur Rahman Chowdhury



Md Masum Uddin Khan

STAR BUSINESS DESK

Southeast Bank recently promoted two senior executive vice-presidents to the post of deputy managing directors.

Of them, Abidur Rahman Chowdhury was the senior executive vice president and head of branch at the principal branch of the bank. He started his career at the bank as a probationary officer in 1996.

Chowdhury obtained his honour's and master's degrees in finance and banking from the University of Dhaka and an MBA in management from the same university.

Meanwhile, Md Masum Uddin Khan was the head of credit risk management division and senior executive vice-president of the bank. He joined Southeast Bank in 2019.

Khan started his career at Agrani Bank in 1996, and later worked for Basic Bank and City Bank.

He attained his graduation degree in finance and banking and post-graduation in finance from the University of Dhaka and an MBA (major in marketing) from the same university.

## Fu-Wang Ceramic posts lower profit in Oct-Dec

STAR BUSINESS REPORT

Fu-Wang Ceramic Industries Ltd's profit fell about 22 per cent to Tk 95.38 lakh in the second quarter of the current financial year.

The cement manufacturer made a profit of Tk 1.23 crore in the October-December quarter of the previous financial year of 2021-22.

Thus, Fu-Wang Ceramic reported earnings per share of Tk 0.07 for October-December of 2022-23 compared to Tk 0.09 in the identical quarter a year earlier, according to the un-audited financial statements.

Its profit fell to Tk 1.64 crore in the first half of FY23 from Tk 2.32 crore in the same period of FY22, a year-on-year decrease of 29.41 per cent.

So, its EPS was Tk 0.12 in July-December in the ongoing financial year against Tk 0.17 in the July-December of FY22.

The net operating cash flow per share of the company improved to Tk 0.29 in the first half of FY23 from Tk 0.20 in FY22. The net asset value per share rose to Tk 12.35 on December 31 from Tk 11.78 on June 30.

Shares of Fu-Wang Ceramic were unchanged at Tk 17.40 on the Dhaka Stock Exchange yesterday.

## NBR's back against the wall

FROM PAGE B1

imports and reduced profits of firms, limiting the government's scope to spend on development activities.

The NBR clocked 11 per cent year-on-year growth in tax receipts, which amounted to Tk 145,431 crore in the July-December period of 2022-23.

Alamgir Kabir, president of the BCMA, said businesses were facing a crisis because of a sharp depreciation of the taka against the US dollar, the dollar shortage, the reluctance of banks to open letters of credit aimed at importing raw materials, and the abnormal increase in the prices of fuel, gas and electricity.

So, the association demanded the reduction of the advance income tax to 0.50 per cent at the import and sales stage from the 2 per cent currently.

It also called for the withdrawal of a 30 per cent supplementary duty on limestone and requested the NBR

to cut the customs duty on clinker to Tk 200 per tonne from Tk 500 presently.

The Bangladesh Steel Mill Owners Association proposed bringing down the tax deducted at source on the sale of rods to 1 per cent from 2 per cent.

At present, the steel sector pays an advance income tax of Tk 500 per tonne. The association has recommended reducing it to Tk 100.

The Bangladesh Auto Brick Manufacturers Association demanded tax exemption on the purchase of raw materials.

The platform said its members collect soil and coal as raw materials. And those who sell soil are small-scale traders and they don't have a taxpayer identification number.

At present, auto brick manufacturers pay a 0.60 per cent turnover tax on sales. At the same time, tax is deducted at the source during the purchase of raw materials.

## Only 3.6% SME stimulus loans provided

FROM PAGE B1

House in Chattogram's Chawkbazar area, told The Daily Star that he had to face huge losses due to the long shutdowns during the Covid-19 pandemic.

"I applied at several banks after the announcement of Bangladesh Bank but they hesitated to give loans. As a result, my business dropped for a lack of new investment," he added.

The same was stated by Md Rahim Khan, proprietor of Khaja Gharib Nawaz Department Store on Chattogram Commerce College Road.

The shop owner said the company faced huge losses during the pandemic period and in spite of applying with various banks for the past one year, he has received no loan from the incentive package so far.

On the other hand, many small and medium enterprises registered with the various BSCICs of Chattogram district said self-employed entrepreneurs and people who have good relations with banks

were getting the low interest loans but the real victims were being harassed.

Nizam Uddin, member secretary of the district CMSME Loan Disbursement Monitoring Committee and deputy general manager of the BSCIC, said the ongoing loan disbursement process was progressing very slow compared to previous periods.

However, the trade bodies are supporting the entrepreneurs so that they can get the loans easily alongside through the monitoring activities of the banks, he said.

"We are already supporting the affected entrepreneurs through regular meetings apart from providing information through letters to the banks for increasing loan disbursements," he added.

"Public and private banks should extend a helping hand to overcome the crisis," Mahbulul Alam, president of the Chattogram Chamber of Commerce and Industry, told The Daily Star.

"A huge number of applications

came from entrepreneurs due to the loan facility under the package having a low interest," Mosroor Hossain, deputy manager of Basic Bank's Dohazari branch in Chattogram, told The Daily Star.

"It is difficult to identify the real victims from these applications," he said.

"Sometimes we found that some businesspeople applied but do not need loans for their business purposes. As a result, loan supply has decreased a little compared to before," he added.

Two of other banks were contacted for comment on the disbursements falling short of the target. None agreed to comment.

However, several bank officials, requesting anonymity, said the loan disbursement was normal in the first two phases.

But now, some banks are apprehensive over securing the repayments on time and as a result, the loans are being provided after a lot of scrutiny, they said.

## Small businesses

FROM PAGE B1

But the latest move will allow cottage, micro and small enterprises to take term loans, which must be paid within three years.

The soft loan is being given at a 9 per cent interest rate. Of the interest rate, 4 per cent is being borne by borrowers and the rest by the government.

Commercial banks usually disburse loans to the CMSME sector at a 9 per cent interest rate. This means borrowers will get the loans at a cheaper rate under the refinancing scheme.

A BB official says that a majority of banks and NBFIs in Bangladesh have been facing an acute liquidity crisis for months. As a result, their capacity to give out loans has shrunk.

"So, the refinancing scheme will help banks and NBFIs disburse funds to borrowers smoothly," he said.

The government signed the loan agreement with the AIB in 2021. The lender will disburse the fund at a 2 per cent interest rate. The repayment period is five years.





Emon Khan, a farmer in Golna village under Dumuria upazila of Khulna, is seen showcasing the Thai guava being grown at his orchard. Wrapped in plastic to prevent pest infestations and the like, these guavas sell for up to Tk 40 per kilogramme at wholesale.

PHOTO: HABIBUR RAHMAN

# Thai guava cultivation bringing success to many

Better yields, profits prompt increased cultivation

MD ABBAS

Shafiqul Islam, a farmer in Putia upazila of Rajshahi, initially started growing a new variety of guava, called Thai guava, on five bighas of leased land about five years ago in hopes of turning his fortunes.

And while he was initially sceptical about the crop's potential, his doubts have since been blown away as Thai guava has become a favourite among the people of Bangladesh.

"I was not aware about the prospect of Thai guava as I was doubtful about the yield and profit, but my doubts eventually turned into hope after getting results," Islam said.

Having attained financial freedom, Islam now looks to expand his guava orchard.

After meeting all the expenses, his current orchard rakes in a profit of about Tk 3 lakh per year.

Like Islam, many other farmers have also changed their fates by farming Thai guava.

Abu Bakar Siddique, a resident of the Madanhaat area of Natore, once struggled to support his six-member family through his scrap recycling business.

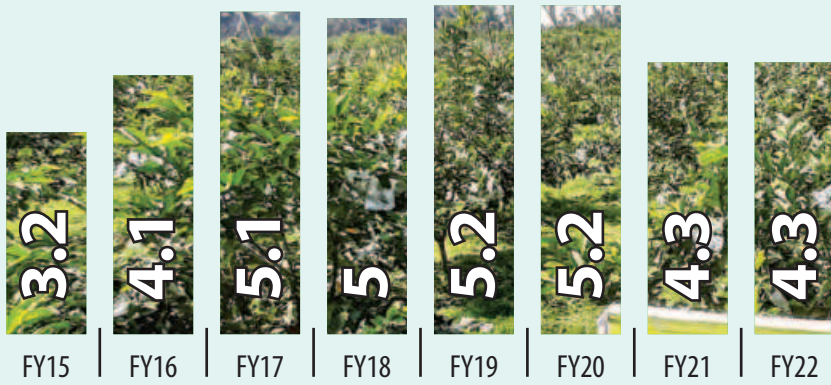
In a bold step, he obtained a loan of Tk 3 lakh and started farming Thai guava on three bighas of land.

After enjoying early success, he invested Tk 10 lakh to expand his farm last year and got good yields and profits.

The latest data from the Department of

## ANNUAL GUAVA PRODUCTION

in lakh tonnes; SOURCE: DAE



Agricultural Extension (DAE) shows that guavas were grown on more than 88,938 hectares of land across the country to produce some 430,000 tonnes of the fruit in fiscal 2021-22.

Of the total production, Thai guava accounted for about 70 per cent.

Overall, guava production has increased 34 per cent from 3.2 lakh tonnes seven years ago.

DAE officials say that while the fruit is grown throughout Bangladesh, the highest production takes place in Rajshahi.

About 3,052 hectares of land in the region were brought under guava

cultivation in fiscal 2021-22 to get a yield of 73,314 tonnes of the fruit.

Chapainawabganj, Natore and Barishal are also major producing districts while significant quantities of guava are grown in Pirojpur, Pabna, Tangail, and several hilly areas as well.

There are approximately 10,600 guava orchards across the country.

In addition, there are around 10,000 mixed fruit orchards throughout Bangladesh where guavas are grown.

With its reasonable price, delicious taste, and year-round availability, the fruit has gained widespread popularity, especially during the Covid-19 pandemic

for its high vitamin-c content.

Introduced in 2010, researchers at the Bangladesh Agricultural Research Institute have since developed several varieties of guava, including Thai 1, 2, 3, and 7, according to the DAE's Horticulture Wing.

One of the largest wholesale markets for guava is Karwan Bazar in Dhaka, where over 25,000 metric tonnes of the fruit are brought in from various regions of the country, local businessmen say.

The majority of these guavas are of the Thai variety as they have higher demand, said Md Daud Bhuiyan, a local wholesaler.

"Farmers are attracted to Thai guava due to its high yield and profitable returns," said Md Abdul Halim, deputy project director of the Year-Round Food Production for Nutrition Improvement Project of the DAE's Horticulture Wing.

According to him, Thai guava has become a cash crop.

"I hope we will be able to export this variety in the near future," he added.

Anamika Dhar, a primary school teacher, shared her thoughts on the popularity of this fruit with The Daily Star.

Dhar said the affordability and nutritional value of Thai guava make it an attractive choice for many consumers.

She then pointed out that Thai guava is relatively cheaper compared to other fruits and has a nutritional value equivalent to that of apples.

## DIGITAL DARE

# Will AI only displace jobs?

MAHTAB UDDIN AHMED

The anchor of a popular US talk show confronted Alexa, an artificial intelligence (AI) bot, regarding complaints from its users concerning Alexa's creepy laugh.

He asked Alexa directly about her creepy laughter, which can be heard at the most inappropriate moments, sometimes even scaring people off their wits in the middle of the night.

In reply, Alexa gave out a creepy laugh, saying, "oh, like that". And then she explained that it was a funny joke she remembered.

The anchor asked what the joke was and she replied: "Why did the chicken cross the road?" At a loss, the anchor babbled, "I don't know that one. Why?"

Alexa smartly responded, followed by her creepy laugh, "Because humans are a fragile species with no idea what's coming next." Feeling outwitted, the anchor exclaimed, "I think that might be Hillary Clinton in there."

That is a true story, if any of you are wondering. My first experience with Alexa was in 2016 while studying late at night in a study group at Harvard Business School. Alexa was singing, cracking jokes, and firing information on any topic! I was simply as fascinated by it as I am with ChatGPT these days. Both platforms are based on AI, which profoundly interests me.

Our fascination with AI often distracts us from the threats it can pose in the future, if not already. The widespread adoption of AI technologies like ChatGPT and Bard could lead to job displacement in specific industries. The jobs at risk include customer service executives, data entry operators, taxi drivers, receptionists, secretaries, proofreaders, security guards, doctors, lawyers, soldiers, and factory workers.

Tech jobs such as software developers, web developers, computer programmers, coders, and data scientists are also at risk of getting redundant. But there is the silver lining: it is unlikely to replace jobs like CEO, CXO, planners, PR agency executives, coaches, counsellors, market researchers, and scientists.

While AI will imminently gobble up many popular employment fields, it will also likely create new job opportunities and industries that did not previously exist. Some new jobs include data detective, data security, AI governance officer to prevent abuse, ethical sourcing officer, AI business development manager and AI-based product innovation manager. We would have to focus on how to catch up with these areas where there will be ample opportunities for growth in the future.

Some key trends include AI for text, speech and vision; growth of human and machine collaboration; increased demand for a driver-less car; more attention to ethics and governance in AI. Generative AI will play a more vital role in the creative space.

Additionally, it is essential to remember that AI can only replace human skills and abilities in some areas. For example, creativity, empathy, and critical thinking are still uniquely human abilities that AI will struggle to replicate.

The impact of AI on the job market is complex and largely depends on various factors. Some jobs will likely be lost, but others will be created, and individuals and cultures must be proactive in adapting to these changes in the most ethical way.

AI, like ChatGPT or Bard if used with wisdom and experience, can positively enhance intelligence and information distribution. However, it can be a dangerous tool if it is used without proper experience and by mischief makers.

According to Elon Musk, a co-founder of OpenAI, "AI is something that is risky at the civilisation level, not merely at the individual risk level, and that's why it really demands a lot of safety research."

The author is a telecom and management expert



# Robi's profit squeezed for forex crisis

STAR BUSINESS REPORT

Mobile phone operator Robi Axiata missed clocking an additional Tk 178 crore in profit in 2022 due to the massive depreciation of the local currency against the US dollar.

The second-largest mobile operator of Bangladesh saw a 1.3 per cent year-on-year higher profit to Tk 183 crore last year.

But Robi could have made a profit of Tk 361 crore instead of Tk 183 crore, said the company's chief corporate and regulatory officer Mohammed Shahedul Alam.

The gradual fall of the taka against the US dollar wiped out half of Robi's profit after tax in 2022, he said.

The taka lost its value by about 20 per cent against the American greenback last year owing to the shortage of the US dollar caused by escalated import bills against moderate remittance and export earnings.

Still, the telecom operator's revenue rose 5.5 per cent year-on-year to Tk 8,586 crore last year.

The earnings per share for the company were Tk 0.35 in 2022, up from Tk 0.34 a year earlier, according to the price-sensitive information.

The company, which runs its operation under the brand names of Robi and Airtel, added 8 lakh customers in the year to December. Now, it has 5.44 crore subscribers.

The company's board recommended a 7 per cent cash dividend for its shareholders for 2022 at a meeting yesterday, up from 5 per cent in 2021.

Robi's shares were unchanged at Tk 30 on the Dhaka Stock Exchange yesterday.



The number of mobile subscribers in Bangladesh dropped by 6 lakh to 18.02 crore in 2022.

PHOTO: HABIBUR RAHMAN

# Pakistan hikes petrol price by 22.20 rupees a litre

REUTERS

Pakistan has hiked the price of petrol by 22.20 rupees (\$0.0835) a litre to 272 rupees (\$1.02) effective on Thursday because of the plummeting value of the country's currency, the finance ministry said in a statement.

The Pakistani rupee has fallen sharply against the dollar since an artificial cap on the local currency was removed last month to allow its value to be decided by a market-based exchange rate.

The South Asian country is locked in negotiations with the International Monetary Fund (IMF) for the release of critical bailout funds, and with roughly enough reserves to meet only three weeks of imports, Pakistan is looking to increase revenue despite multi-decade high inflation of 27 per cent.