

Real estate fair kicks off in Ctg today

STAR BUSINESS REPORT, Chattogram

REHAB Chattogram Fair 2023, a four-day housing exhibition, will begin in the port city today at the Radisson Blu Chattogram Bay View hotel.

Forty-eight companies, including renowned real estate firms from Dhaka and Chattogram, building material makers and financial institutions will take part in the fair to be organised by the Real Estate and Housing Association of Bangladesh (REHAB).

Land Minister Saifuzzaman Chowdhury is scheduled to inaugurate the fair as the chief guest, REHAB leaders said at a press conference at its office in Chattogram yesterday.

Two firms are gold sponsors and 17 real estate firms are co-sponsors of the fair that will have 60 stalls.



The entry fee is fixed at Tk 50 for single entry and Tk 100 for multiple entries, the organisers said, adding that the fair would remain open from 10am to 9pm every day.

Chattogram City Corporation Mayor Rejaul Karim Chowdhury, Chattogram Development Authority Chairman Zahurul Alam Dobhas and Chittagong Chamber of Commerce and Industry President Mahbulul Alam will be special guests at the inaugural ceremony.

REHAB Vice President Md Abdul Kautam Chowdhury said the country's real estate sector is passing through a tough time due to price hike of construction materials as an impact of the Russia-Ukraine war.

The fair would offer a great scope for the developer firms to display their ongoing projects to help the prospective buyers to choose their desired flats, he said.

REHAB Vice chairman Kamal Mahmud, Directors Md Didarul Hoque and Mahbub Sobhan Jalal Tanvir were also present at the conference.

AT A GLANCE

Local IT firms showed resilience despite global downturn

Export growth is driven by BPO, data processing

Freelancers bring in a big chunk of exports

Freelancers mainly do low-value work

We need big companies like India's Infosys or Wipro, the companies that employ tens of thousands of people each and earn billions of dollars

AKM Fahim Mashroor
CEO of Bdjobs

BY THE NUMBERS



Export earnings \$282.77m in July-Dec of FY23



Export growth 36pc year-on-year



Total earnings were \$596m in FY22



But BASIS estimates annual earnings would be \$1.5b

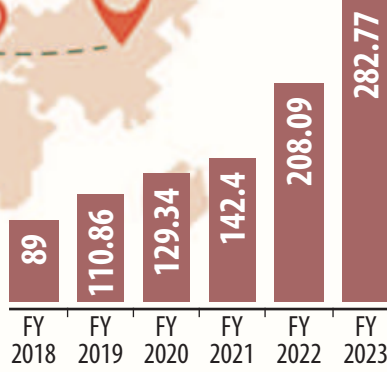


Annual local IT market is over \$1b

Computer and IT services export

In million \$; Jul-Dec period

SOURCE: EPB



IT export surges despite global economic crisis

MAHMUDUL HASAN

Information technology exports from Bangladesh shot up 36 per cent in the first half of the current financial year, beating expectations of industry players as the local IT industry showed resilience against the global economic turmoil.

IT companies brought home \$282.77 million in the July-December period of 2022-23, up from \$208.09 million in the identical half of 2021-22, data from the Export Promotion Bureau (EPB) showed.

The higher earnings were driven by the shipment of computer data processing and hosting services, which cover most business process outsourcing and IT-enabled services.

The shipment of computer data processing and hosting services rose to \$233.55 million in the six months to December from \$154.82 million a year earlier.

Local entrepreneurs are receiving a good number of outsourcing orders for back-office operations, image processing, graphic design, animation, data entry, accounting and legal process outsourcing, and data analytics, according to industry people.

IT export growth has been phenomenal since the middle of last year after businesses around the world reopened following the improvement in the Covid-19 situation.

In the last financial year, IT exports from Bangladesh crossed a major mark after local firms and freelancers earned more than half a billion US dollars for the first time. Local IT companies saw their export earnings shoot up 95 per cent year-on-year to \$592.06 million in FY22.

The higher earnings came although industry people earlier expressed concerns whether the momentum would be maintained in the current financial year owing to the global economic crisis induced by the Russia-Ukraine war.

According to the EPB, IT consultancy services raked in \$19.76 million in July-December of FY23, up from \$18.62 million a year ago. The shipment of software dropped about 8 per cent to \$27.39 million.

However, some software firms say their business expanded during the period.

For example, Brain Station 23 said it posted 44 per cent year-on-year growth in the first half of the current fiscal year.

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"Now we are facing some slowdown, which is a worldwide trend as business growth has slowed. But it is not alarming," said Raisul Kabir, chief executive officer of the software firm.

Brain Station 23 mainly exports custom-made software to European clients. It hired more than 200 people in the last one year to take its total employees to 670.

Export receipts for the installation, maintenance and repair of computers and peripheral equipment decreased around 58 per cent to \$2.07 million in July-December of FY23.

M Manjur Mahmud, president of DataSoft Systems, however, thinks the actual export earnings from the IT sector were much higher than the official figures.

"Many of the earnings are small in amount and they don't get included in the official calculation."

The IT firm has already exported software products to 31 countries and has offices in

four countries. It employs 450 people.

The Bangladesh Association of Software and Information Services (BASIS) estimates that the annual IT export stands at \$1.5 billion.

Besides, many firms and freelancers don't bring in their full export proceeds or fetch their export earnings through unofficial channels to avail a higher rate of the dollar against the taka in the informal market, industry people allege.

Despite the phenomenal growth, Bangladesh's IT export has remained at a far lower level than those of its peers.

India's technology industry generated export earnings of \$227 billion in FY22, according to the National Association of Software and Service Companies of the neighbouring country.

Pakistan's information and communication technology exports, including telecommunication, computer and information services, were \$2.62 billion in FY22.

AKM Fahim Mashroor, CEO of Bdjobs and AikerDeal, said the higher earnings in the first half were a good sign amid the global economic crisis.

"But the overall IT export is very low."

He said the government is spending heavily to develop the ICT skill of people, especially freelancers. But it has failed to boost IT exports.

"This is because most of the money is being spent on developing low-skill freelancers, who can't generate big revenue."

The IT entrepreneur recommended the government incentivise IT companies to hire fresh graduates.

"We should follow the growth story of the garment industry. In the RMG sector, the 100 top companies account for 80 per cent of exports."

"We need big companies like India's Infosys or Wipro, the companies that employ tens of thousands of people each and earn billions of dollars," he added.

Banks get nod to complete procedures to add PLC suffix

STAR BUSINESS REPORT

The central bank has given permission to banks to complete legal procedures to change their name by adding PLC as a suffix.

In Bangladesh, the companies are switching to the PLC (Public Limited Company) suffix in order to comply with the amended Company Act 1994. The amendment was made in 2020.

A PLC is a public company and is the equivalent of a US publicly traded company that carries the Inc. or corporation designation.

The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

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As per Company (Second Amendment) Act 2020, banks would have to change the name of the company and the Articles of Association to assume the PLC suffix. They will also have to take permission from the central bank to do so.

In a notice yesterday, the central bank gave permission to banks to complete legal procedures to bring about the change.

Banks would not have to apply to the central bank before changing the name and the Articles of Association. They, however, would have to inform the BB after the procedure is completed so that the central bank can publish it as a gazette notification.

Delta Brac Housing Finance Corporation, Crown Cement, Runner Automobiles, Premier Cement Mills, Taufika Foods and Lovello Ice-cream, Citizens Bank, United Commercial Bank, Unique Hotel & Resorts, and Walton Hi-Tech Industries are among the listed firms that have added PLC to their names.

Aramit Cement's losses more than double

STAR BUSINESS REPORT

Aramit Cement Limited suffered a Tk 17.11 crore loss in the second quarter of the current financial year.

The loss stood at Tk 7.28 crore in the October-December quarter of 2021-22.

The cement manufacturer, thus, reported earnings per share of Tk 5.05 negative in October-December of 2022-23, which was Tk 2.15 negative in the second quarter of 2021-22.

Aramit Cement reported a loss of Tk 26.05 crore in the first half of the ongoing financial year, up from a loss of Tk 13.92 crore in the identical period of FY22.

The net operating cash flow per share of the company, however, returned to positive territory in July-December: it was Tk 3.57 in the first half of FY23 compared to a negative Tk 0.15 in July-December of FY22.

The net asset value per share fell to Tk 4.93 on December 31 from Tk 12.58 on June 30.

Shares of Aramit Cement closed 0.87 per cent lower at Tk 22.70 on the Dhaka Stock Exchange yesterday.

Top brands leave Russia, their goods don't

REUTERS, Moscow

Trucks carrying Coca Cola roll across the border into Russia, tourists return from abroad laden with Zara's latest designs, and local online marketplaces snap up IKEA's furniture stocks. Western brands may have left the country, but their goods haven't.

Despite European, North American and Japanese companies exiting Russia over its actions in Ukraine, the impact on Russian consumers is minimal, although delivery times can be longer and some goods more expensive.

The main change has been to supply routes, but the products remain available both online and in stores. Buyers just need to know where to look.

Crucially, the vast majority of goods concerned are not subject to sanctions and these cross border flows are legal. And Moscow is happy to let them in, whatever route they take.

Brands' continued availability shows the challenge companies face in controlling supply chains when exiting a market.

Zara-owner Inditex shuttered its 502 Russian stores after Moscow sent troops into Ukraine, and then sold them to UAE-based Daher Group.

Now, small-scale imports and online sellers are keeping them alive, a Reuters review of six major online marketplaces

and conversations with a dozen buyers and sellers showed.

Albina, 32, took an empty suitcase to Minsk last summer and returned 24 hours later with 33,000 roubles (\$442) worth of Inditex-brand Zara, Bershka and Massimo Dutti clothes for herself and friends.

Despite European, North American and Japanese companies exiting Russia over its actions in Ukraine, the impact on Russian consumers is minimal, although delivery times can be longer and some goods more expensive

While most Western brands that have halted Russian operations have also pulled out of Belarus - a staunch Moscow ally - Inditex has not. The company did not respond when asked about this.

Albina told Reuters she has also bought clothes in Paris and Dubai and used a network of online sellers.

"There are pages on Instagram, on Telegram, there are girls I know who moved to live in Europe or Istanbul or Dubai," she said. "They collect orders, let's say in Istanbul, they take 15 per cent-30 per cent

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Bottles and cans of Coca-Cola imported from Japan and China together with other soft drinks containers are displayed for sale in Vladivostok, Russia on February 20.

PHOTO: REUTERS