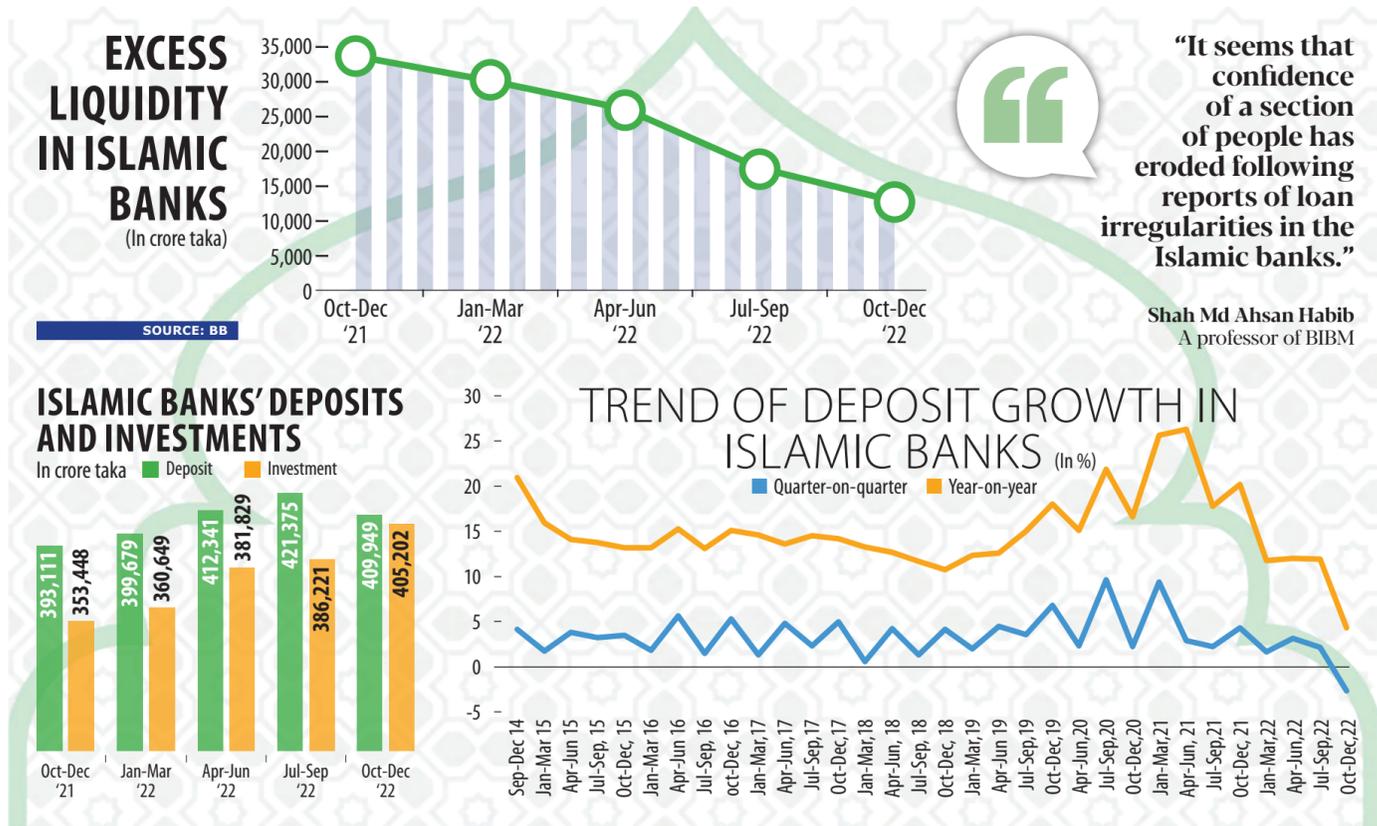
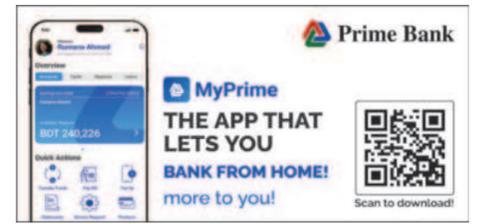


Star BUSINESS



Political campaigns needed to reduce NPLs

Economists, entrepreneurs say

STAR BUSINESS REPORT

The presence of a huge amount of non-performing loans (NPLs) in the banking sector raises funding costs for entrepreneurs so Bangladesh Bank's decision to cap the lending interest rate was a wrong one, says economists and entrepreneurs.

They called for launching political campaigns to reduce the NPLs and ensure proper punishment for wilful defaulters so that none dared to embezzle banks' funds.

Bangladesh Bank set the cap on April 1 of 2020 in a bid to reduce funding costs of entrepreneurs, saying the highest interest on deposits would be 6 per cent while for lending 9 per cent.

Default loans in Bangladesh's banking sector jumped 17 per cent year-on-year to Tk 120,656 crore last year owing to a lack of corporate governance and the ongoing business slowdown.

As a result, the ratio of bad loans rose to 8.16 per cent of the outstanding loans in December compared to 7.93 per cent in the same month in 2021, showed data from the Bangladesh Bank.

“Without political will and exemplary punishment, the NPLs can not be reduced,” said Syed Mahbubur Rahman, former chairman of the Association of Bankers, Bangladesh (ABB).

“Courts also need to be more active to solve the disputes though they have manpower issues,” he said.

His comments came at a seminar titled “Bi-annual Economic State & Future Outlook of Bangladesh Economy: Private Sector Perspective” organised by the Dhaka Chamber of Commerce and Industry (DCCI) on its premises yesterday.

READ MORE ON B3

Depositors withdraw Tk 11,426cr from Islamic banks in 3 months

BB data shows as loan scams hurt confidence level

SOHEL PARVEZ

Deposit flow to Islamic banks in Bangladesh registered a fall in the fourth quarter of 2022, the first such decline in eight years, in a sign of erosion of confidence among savers owing to loan irregularities.

Data released yesterday by the Bangladesh Bank showed that total deposits in Islamic banks declined to Tk 409,949 crore at the end of December 2022, down 2.71 per cent from Tk 421,375 crore in September.

This means Islamic banks lost Tk 11,426 crore in deposits in the three months, according to the October-December quarterly report on Islamic banking of the central bank.

Full-fledged Islamic banks, now numbered 10, were the biggest sufferers as they lost Tk 11,842 crore in the fourth quarter from the third quarter. They collectively held deposits of Tk 379,951 crore in December, down 3 per cent from Tk 391,792 crore in September.

Conventional banks with Islamic banking windows recorded a marginal decline in savings in the fourth quarter, while banks with Islamic

banking windows registered a 2.94 per cent increase in the flow of savings.

Islamic banks, however, recorded a 4.28 per cent year-on-year deposit growth in the fourth quarter. Yet, the growth was the lowest since 2014, the year when the central bank started to release the quarterly report on Islamic banking.

The data came at a time when a number of Islamic banks, including Islami Bank Bangladesh Ltd (IBBL), the largest private bank in terms of deposits and investments, suffer from liquidity dearth resulting from withdrawals by many depositors after reports on alleged loan scams surfaced.

The liquidity crunch prompted the central bank in December to pump funds at 8.75 per cent into a number of Islamic banks, including IBBL, to enable them to meet emergency financing needs and comply with regulatory requirements.

As of December 29, IBBL took Tk 8,000 crore under BB's special arrangement. Four other Shariah-based banks – First Security Islami Bank, Social Islami Bank Ltd, Union Bank and Global Islami Bank – took Tk

6,790 crore.

Analysts say the fall in deposits at the Islamic banks is an indication of the drop of customers' confidence owing to the allegation of loan scams, particularly at IBBL.

The central bank is investigating allegations of

banks dropped to 25.81 per cent in the deposit segment in December, down from 28.43 per cent three months ago.

As such, the overall availability of excess liquidity at the Shariah-based banks reduced to Tk 12,871 crore at the end of 2022, from Tk 17,525 crore at the end of the

displaced by conventional banks, he said.

“It seems that the confidence of a section of people has eroded following reports on loan irregularities.”

In a report on Wednesday, global ratings agency Moody's Investors Service said Islamic banks in Bangladesh are more vulnerable to the tightening of liquidity than conventional banks because they have smaller liquidity buffers.

One reason that Islamic banks have weaker liquidity cushions is that the central bank has more relaxed liquidity requirements for them to support the growth of the sector.

Another reason is that Islamic banks are prohibited from holding conventional interest-bearing government bonds, and there is a limited amount of liquid shariah compliant instruments.

“The profitability of Islamic banks is already weaker than that of conventional banks because they are more reliant on term deposits, which results in narrower spreads between financing yields and deposit costs than the system-wide level,” said the agency.

READ MORE ON B3



A visitor is seen trying out a virtual reality headset at the BASIS SoftExpo 2023, which began at the Bangabandhu Bangladesh-China Friendship Exhibition Center in Dhaka's Purbachal yesterday. More than 200 stalls have been installed at the fair, where participants are showcasing products and services of the latest technologies.

PHOTO: COLLECTED

Collaborative efforts key to higher IT export

Speakers say as BASIS SoftExpo begins

STAR BUSINESS REPORT

The ICT industry, academia and government should collaborate on research and development while also promoting the sector and building skilled human resources to fuel IT service exports, according to experts.

Russell T Ahmed, president of the Bangladesh Association of Software and Information Services (BASIS), yesterday outlined this formula during the inauguration of the four-day BASIS SoftExpo 2023.

While Bangladesh has made impressive development in the ICT sector in the last few years, the country could still do a lot better. “So, we need to establish a research mechanism to identify our strengths, weaknesses, opportunities, and threats,” he said.

Ahmed then said it is possible to raise IT exports from Bangladesh to \$5 billion by 2025 and \$20 billion by 2031.

“But to do so, we have to remember that it is a business in which we have to compete with India, Vietnam, the Philippines, Poland, Estonia and Ukraine,” he added.

Ahmed went on to say that the second thing to do would be aggressive industry

promotion.

Although the government trusts in the capability of local firms, confidence in the local market has not grown to the required level.

“Besides, we need to deepen our strength in the international market properly so that global players can consider Bangladesh as an ICT destination,” he said.



The third most important thing that needs to be done is building skilled human resources in the ICT sector.

“We are facing an intense shortage of human resources, which is the only raw material for the ICT industry. We fail to hire three people after interviewing 300 candidates,” Ahmed said.

READ MORE ON B3



Farmers tend to a field of vegetables which has adopted mulching, an effective way of insulating and protecting delicate plant root systems against harsh weather conditions. Here plastic film is used to create a barrier that improves the soil's nutrient profile and reduces erosion while enhancing the soil's ability to hold more moisture. The photo was taken at Hatkhula union of Sylhet sadar upazila recently.

PHOTO: SHEIKH NASIR

Stocks pass fourth day of losses

STAR BUSINESS REPORT

The top 10 gainers' list on the Dhaka Stock Exchange (DSE) could not be completed yesterday since only nine companies rose as the market fell for the fourth consecutive session.

The DSEX, the benchmark index of the premier bourse in Bangladesh, closed at 6,205, down 13 points, or 0.21 per cent.

The DS30, the blue chip index, slipped 0.01 per cent to 2,221 while the DSES, the Shariah-compliant index, dropped 0.24 per cent to 1,355.

On the day, 150 companies fell and 154 did not see any price change.

Turnover, one of the key indicators of the market, fell to Tk 222.99 crore, the lowest since January 3 when it stood at Tk 198.9 crore.

Most sectors witnessed price correction: the IT sector was down 2.2 per cent, the service sector fell 1.3 per cent, the paper sector declined 1.3 per cent, and the jute sector shed 1 per cent.

The travel sector increased 0.3 per cent and the food and bank sectors inched up 0.01 per cent.

Investors' activities were mainly focused on the pharmaceuticals sector, which captured 17 per cent of the turnover. The IT sector accounted for 14.6 per cent of the turnover.

The shares on the DSE extended the bearish trend to the fourth consecutive session as investors were reluctant to make fresh investments amid a gloomy market outlook, said International Leasing Securities Ltd (ILSL) in its daily market analysis.

Asia Pacific General Insurance posted the sharpest gain on the day, rising 5.35 per cent.

National Tea Company added 1.45 per cent, Islami Insurance Bangladesh rose 1.02 per cent, and Sea Pearl Beach Resort & Spa edged up 0.95 per cent.

Olympic Industries, Hwa Well Textiles, Islami Bank Bangladesh Ltd, Berger Paints Bangladesh, and Bangladesh Lamps also rose.

Metro Spinning suffered the sharpest fall, giving up 6.97 per cent.

Al-Haj Textile Mills lost 6.04 per cent, Pragati Life Insurance slid 5.51 per cent, Genex Infosys declined 4.42 per cent, and Bangladesh General Insurance Company retreated 4.17 per cent.

National Bank was the most-traded stock on the day. Bangladesh Shipping Corporation, Shinepukur Ceramics, Genex Infosys and Intraco Refueling Station also saw significant trading.

The Caspi, the all share price index of the Chittagong Stock Exchange, dropped 25 points, or 0.14 per cent, to end the week at 18,334.

Of the issues that traded on the bourse in the port city, only five rose, 56 declined, and 57 saw no price movement.

Turnover plunged nearly 85 per cent to Tk 7.11 crore. It was Tk 46.92 crore on Wednesday.

HOW WAS THE WEEK

The stock market passed a gloomy week, with the benchmark index of the

DSE losing 41.1 points as most of the investors followed a cautious stance amid a lack of clear direction of the market, said ILSL.

Owing to a lack of confidence, panic-driven investors dumped their holdings and preferred to hold cash because of the rumours that the floor price would be lifted. The regulator has not announced any date for the removal of the measure, which was put in place in July.

Average turnover decreased 35.31 per cent from a week ago.

In the week to Thursday, the travel sector rose 1.1 per cent. The paper and printing sectors shed 8.3 per cent, the IT sector declined 5.6 per cent, the general insurance and jute sectors dropped 3.2 per cent.

Bangladesh Shipping Corporation registered the highest gain of 10.8 per cent, while Genex Infosys advanced 6.4 per cent and Sea Pearl Beach Resort gained 5.6 per cent.

The Caspi lost 93.1 points.

Islami Bank receives security standard certification

STAR BUSINESS DESK

Islami Bank Bangladesh has received a PCI DSS version 3.2.1 certification for "ensuring a strong and advanced network, regular monitoring and maintenance for customers' data protection".

The Payment Card Industry Data Security Standard (PCI DSS) is a payment card security standard to safeguard cardholders against fraud and abuse of private and personal information, says a press release.

The standards are designed and mandated by the PCI Security Standards Council whose founding members are VISA, MasterCard, American Express, Discover Financial Services and JCB International.

Muhammad Qaisar Ali, additional managing director of the bank, received the certificate from Suresh Daddani, president of certification provider ControlCase, at a hotel in Dhaka on Sunday, said a press release.

Md Omar Faruk Khan and JQM Habibullah, additional managing directors, Md Altaf Hossain, Md Nayer Azam, Md Siddique Rahman and Abul Faiz Muhammad Kamaluddin, deputy managing directors, and Md Mostafizur Rahman Siddiquee, chief human resources officer, were present.

MTB, BURO Bangladesh sign cash management deal

STAR BUSINESS DESK

Mutual Trust Bank (MTB) and BURO Bangladesh have signed an agreement on cash management services.

Md Khalid Mahmood Khan, deputy managing director of the bank, and M Mosharraf Hossain, finance director of BURO Bangladesh, inked the deal at the bank's corporate head office in Dhaka recently, said a press release.

Syed Mahbubur Rahman, managing director and CEO of the bank, Mohammad Mamun Faruk, divisional head of wholesale banking-1, Ashraf Ur Rahman Chowdhury, unit head of WBD-1, Ashik Iqbal Khan, head of cash management & transaction banking division, and Farmina Hossain, director of operation and financial services of BURO Bangladesh, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 23, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	1.5 ↑	2.27 ↑
Coarse rice (kg)	Tk 48-Tk 52	2.04 ↑	5.26 ↑
Loose flour (kg)	Tk 56-Tk 60	-1.69 ↓	65.71 ↑
Lentil (kg)	Tk 95-Tk 100	-4.88 ↓	0
Soybean (litre)	Tk 168-Tk 172	0.59 ↑	3.98 ↑
Potato (kg)	Tk 20-Tk 22	-23.64 ↓	20 ↑
Onion (kg)	Tk 30-Tk 35	0	-35 ↓
Egg (4 pcs)	Tk 47-Tk 50	14.12 ↑	27.63 ↑

SOURCE: TCB

Polish ambassador visits Dhaka Bank head office

STAR BUSINESS DESK

Non-resident Polish Ambassador to Bangladesh Adam Burakowski visited Dhaka Bank's head office in the capital on Monday at the invitation of Reshadur Rahman Shaheen, honorary consul general of Poland and former chairman and sponsor director of the bank.

Accompanied by Ewa Stankiewicz, second secretary of the Polish embassy in New Delhi, the ambassador spoke with the lender's management team and went round the premises, said a press release.

They had also visited Mujib Corner at the bank premises and appreciated the ambiance of the corner where the historical pictures of events and story of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman were placed.



Non-resident Polish Ambassador to Bangladesh Adam Burakowski and Ewa Stankiewicz, second secretary at the Polish embassy in New Delhi, take a photo with Reshadur Rahman Shaheen, honorary consul general of Poland and former chairman and sponsor director of Dhaka Bank, and top officials the bank and embassy during a visit to the bank's head office in Dhaka on Monday.

PHOTO: DHAKA BANK

Russian economy holding up

But the road back to prosperity may be long

REUTERS, Moscow

Russia's economy proved unexpectedly resilient in the face of tough Western sanctions last year, but a return to pre-conflict levels of prosperity may be far off as more government spending is directed towards the military.

Even internal forecasts made soon after Moscow sent troops into Ukraine a year ago had predicted the economy would shrink by more than 10 per cent in 2022, exceeding the slumps seen after the Soviet Union collapsed and during the 1998 financial crisis. But statistics agency Rosstat's first estimate shows a more modest contraction of 2.1 per cent last year.

"The Russian economy and system of governance proved to be much stronger than the West supposed," President Vladimir Putin told Russia's political, military and business elite this week. "Their calculation did not come to pass."

High prices for its energy exports helped cushion the blow from sanctions aimed at isolating Russia economically, while capital controls saw the rouble strengthen to a seven-year high. A collapse in imports led to a record current account surplus.

The central bank, led by Elvira Nabiullina, kept a steady hand on the tiller despite losing access to around \$300 billion worth of international reserves.

But analysts nonetheless see a substantial and long-lasting opportunity cost from what Moscow calls its "special military operation" in Ukraine. Before the conflict began, the government had forecast 3 per cent economic growth last year.

"The fact that the economy surprised everyone last year is certainly a positive factor," said Grigory Zhirnov, an analyst for the

My Investments Telegram channel. "However, it is better to compare the dynamic relative to what it would have been if the previous trend had continued."

Zhirnov said the economy would not regain its 2021 size until 2025, "and the level of GDP that could have been achieved in the absence of last year's crisis will hardly be reached in the next 10 years."

Moscow is finding new markets in Asia for its oil and gas exports, the economy's lifeblood, and has maintained the supply of consumer goods through a grey imports scheme. It increasingly shuns the Western markets that helped spur its post-Soviet growth, however, and is turning inwards.

ANALYSIS

A "de-dollarisation" drive means the rouble has doubled its share in Russia's international settlements, Putin said. Banks, meanwhile, are looking for domestic means of reviving profits.

Putin told business elites to invest in Russia, saying ordinary Russians felt no sympathy for their lost yachts and mansions.

He also argued for sustainable domestic development and a self-sufficient economy, recalling a criticism levelled against Soviet leaders so focused on military spending they ignored people's welfare.

"There is a saying: 'guns not butter'," Putin said. "Defence of the country is, of course, the most important priority, but when solving strategic tasks in this area, we must not repeat the mistakes of the past, we must not destroy our own economy."

Trade thru Benapole

FROM PAGE B4

Verma noted the importance of the Petrapole-Benapole ICP and the efforts being made to enhance its capacity for facilitating the movement of goods and passengers.

The ongoing efforts on both sides would strengthen connectivity and trade infrastructure at the land ports and gradually decongest and facilitate smoother movement of goods and people across the border, he said.

"Our connectivity and trade infrastructure development projects with Bangladesh are based on our long-standing friendship and our shared conviction that the progress and prosperity of our two countries and two peoples are interlinked."

He also reaffirmed his

country's commitment to develop partnership and cooperation with Bangladesh with a view to scaling up bilateral trade and investments and promoting people-to-people exchanges.

Bangladesh is India's largest development partner in the world and the biggest trade partner in South Asia. In the last five years, bilateral trade has grown from \$7 billion to around \$18 billion.

Bangladesh's exports to India crossed the \$1-billion mark in the last three years, reaching nearly \$2 billion in the last fiscal year of 2021-22, according to the press release.

India has emerged as the top export destination for Bangladesh in Asia.

Dubai housing boom buoys buyers

AFP, United Arab Emirates

With rents soaring and properties selling fast, the expatriate hub of Dubai is in the throes of a housing boom bolstered by rich emigres that has buoyed investors and burdened tenants.

Dubai, renowned for its towering skyscrapers and ultra-luxury villas, saw record real estate transactions in 2022, largely due to the influx of wealthy investors -- especially from Russia.

That helped to rake in more than \$140 billion last year, marking a 76 per cent annual rise in property market transactions for the Gulf city state, based on the latest official

figures. "The market in the last year has massively changed -- it is great for landlords, but it's not so good for tenants," said Jacob Fletcher of brokerage firm Betterhomes.

While it may not be as rich in oil as the UAE capital Abu Dhabi, Dubai lures expatriates with tax incentives, a lush lifestyle and cheap services provided by low-wage labourers from Asia, Africa and the Middle East.

In upscale Dubai neighbourhoods, where properties sell for more than \$10 million, the 219 sales recorded in 2022 were "more than the total recorded between 2010 and 2020", said real estate consultancy Knight Frank.



Visitors through REHAB Chattogram Fair 2023 that kicked off at the Radisson Blu Chattogram Bay View hotel in the port city yesterday. Some 48 companies, including real estate firms, building material makers and financial institutions from Dhaka and Chattogram, are participating in the four-day show that will remain open from 10am to 9pm.

PHOTO: RAJIB RAIHAN



Cut registration fees on flat sales Realtors demand as fair begins in Ctg

STAFF CORRESPONDENT, Ctg

Real estate businesses have urged the government to reduce registration fees on apartment sales and cut taxes on registration of second hand or used flats to give a boost to the sector.

Money laundering through real estate business would stop if a secondary market can be created for the sector where the registration fee will be nominal, they said.

They spoke at the inaugural ceremony of a four-day housing fair styled 'REHAB Chattogram Fair 2023' at the Radisson Blu Chattogram Bay View hotel yesterday.

The Real Estate and Housing Association of Bangladesh (REHAB) organised the show for the 15th time in the port city.

The Chattogram Development Authority (CDA) should be more vigilant so that the developer firms abide by the building code properly during housing constructions in the port city, Land Minister Saifuzzaman Chowdhury said after opening the fair as the chief guest.

Criticising the real estate firms for their practice of deducting 20-30 per cent of space in the name of common area from the announced size of the sold apartment, the minister said: "This is unfair."

Money laundering through real estate business would stop if a secondary market can be created for the sector where the registration fee will be nominal, realtors said

He urged the developer firms to come with more creative apartment projects having spaces for refreshment and physical activities.

REHAB Vice President Md Abdul Kauam Chowdhury, who is also the chairman of REHAB Chattogram's regional committee, said currently around 250 firms are engaged in real estate business in Chattogram but only 79 are members of REHAB.

There are complaints against many developer firms that they either make long delays in handing over apartments or use low quality construction materials, Chowdhury said.

"On such complaints, we can take action against member firms only."

He urged the Chattogram City Corporation (CCC) mayor and CDA chairman to take steps to make it mandatory for all real estate firms to be member of REHAB as part of efforts to cut irregularities.

CCC Mayor Rejaul Karim Chowdhury, CDA Chairman Jahirul Alam Dobhas, Chittagong Chamber of Commerce and Industry President Mahbulul Alam and REHAB Vice chairman Kamal Mahmud spoke at the ceremony.

Forty-eight firms, including renowned real estate firms from Dhaka and Chattogram, building material firms and financial institutes, took part in the fair occupying 61 stalls.

Two firms are gold sponsors of the fair and 17 real estate firms are co-sponsoring it while the entry fee is fixed at Tk 50 for single entry and Tk 100 for multiple entries.

The fair would remain open from 10am to 9pm every day.

Lal Teer Seed brings salt tolerant wheat

The variety was developed in collaboration with Swedish organisations

STAR BUSINESS REPORT

Local seed company Lal Teer Seed Ltd and Sweden-based firm OlsAro Crop Biotech along with Gothenburg University of Sweden have developed chemical mutations of a wheat variety that can be grown on salt affected soils, a press release said.

The company said the wheat variety, upon approval from the concerned authority, could be grown on a large part of the southern coastal region, where most farmlands remain unused during winter because of high salinity.

The southern coastal region has 28 lakh hectares of cultivable land -- nearly one-third of the net cultivable land of Bangladesh -- but more than 10 lakh hectares of this area is affected by different degrees of salinity at certain times each year.

The predominant salinity of coastal areas is 4-8 decisiemens per metre (ds/m).

A vast amount of land in the southern coastal region lies fallow during the dry winter season for increased salinity after the harvest of Aman paddy, Lal Teer Seed said in the statement.

The presence of salt reduces plant growth as a result of its adverse effects on plant morphology and physiology. Under salinity stress, the enhanced uptake of sodium and chloride ions negatively affect plant growth, especially during critical stages.

"This ultimately leads to reduced yields," the company added.

Considering the options for adapting wheat to saline prone soil, Lal Teer, OlsAro and Gothenburg University of Sweden teamed up to develop a few salt tolerant lines through chemical mutations.

Lal Teer said it tested the lines in coastal areas along with the salt-tolerant variety BARI Gom-25, a wheat variety developed by the Bangladesh Agricultural Research Institute (BARI).

"The line OA-62 performed potentially well through 4-8ds/m continuously for the last two years and out-yielded BARI Gom-25," said Lal Teer Seed.

"It is expected that the introduction of OA-62 in coastal areas, where predominant salinity ranges at 4-8ds/m can extend the acreage of wheat, increasing the total production in Bangladesh and minimising imports," it said, adding that the company is working

on registering this line with the National Seed Board.

The local seed company focuses on developing saline tolerant wheat as demand for the grain, now the second most consumed item after rice, is growing for home and industrial use to make wheat-based foods.

Bangladesh's annual requirement for wheat is roughly 75 lakh tonnes, of which domestic production can meet around 15 per cent, as per industry estimates.

Lal Teer said the consumption range of wheat in the country is increasing day by day. However, crop competition is a major constraint for wheat acreage.

As Boro, the major rice crop, maize and vegetables are produced during the same season, it is difficult to expand the amount of land used for wheat production.

"The challenges of wheat production are crop competition, heat and drought stress, salinity in southern coastal areas, soil acidity in the northern region and boron deficiency in the northwest region," the company said, adding that the only option is to adapt wheat to southern coastal areas during winter.

Lal Teer signed an agreement with

OlsAro in Dhaka on February 22 regarding the intellectual property rights and commercialisation of seeds after receiving approval from the government, said Abdul Awal Mintoo, chairman of Lal Teer Seed.

Among others, Sofia Strom, chief executive officer of OlsAro Crop Biotech, was present at the event.

Talking with The Daily Star, Mintoo said they have been growing wheat under a trial basis for the past five years to develop varieties that can be cultivated in saline prone areas.

The main trial is taking place at Rampal upazila under the southwest district of Bagerhat. Besides, trials are being conducted in Tongi near Dhaka and north Bengal to see the performance of the crop.

"We are also conducting trials of soybean and sunflower to grow oilseeds on saline prone regions that remain fallow for 4 to 5 months a year because of salinity intrusion," he added.

Mintoo went on to say that as Bangladesh is highly dependent on imported edible oil, increased research on oilseeds and the introduction of new varieties will cut the country's import dependence.

Political campaigns needed

FROM PAGE B1

When the NPLs increase, meaning, people are not returning the funds, it ultimately raises banking costs. Moreover, the inter-bank lending rate increased along with the deposit rate, Rahman said, adding that this leaves no way out but to increase the lending rate.

"If banks cannot run, how can the economy will run? So, NPLs must be reduced," he said.

Rahman, also managing director and CEO of Mutual Trust Bank, recommended ensuring good governance and efficient use of resources to avoid the middle income trap.

Bangladesh Bank set the interest rate caps and launched a multiple exchange rate system without any justification but those were not the right decisions, said Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling (SANEM).

The higher interest rate for lending was mainly a result of the presence of the high amount of NPLs and inefficiency of the banking sector but instead of addressing these issues, the central bank set the caps, he said.

Multiple exchange rates do not

help bring in more remittances. Moreover, the central bank should have worked towards curbing money laundering, he said.

Those laundering money are even prepared to pay Tk 150 for every US dollar as the money has come through illegal means. So money laundering and hundi should be curbed through effective steps, he said.

Senior Commerce Secretary Tapan Kanti Ghosh urged entrepreneurs to be competitive, saying that the government would not be able to provide large amounts of subsidies and incentives after once the country makes the United Nations status graduation from a least developed to a developing country in 2026.

"Now, the government is giving cash incentive in 43 sectors but it will not be able to continue this after the graduation due to conditions of World Trade Organization (WTO)," he said.

On the other hand, Bangladesh's products will not get trade benefits such as duty free access to countries abroad so businesses need to be competitive within the country and abroad, he said while addressing as chief guest.

Sameer Sattar, president of the DCCI, said after the LDC graduation, Bangladesh would have to comply with international standards on governance and labour, social and environmental issues for sustaining the export market.

So, businesses will face some challenging situations. In this perspective, he recommended signing free trade agreements (FTA), regional trade agreements (RTA) and comprehensive economic partnership agreements (CEPA) for new markets.

"In the post-LDC era, we need to go for product diversification and strengthen backward linkage industries, skill development and technological efficiency," he said.

He suggested holding negotiations with the WTO and countries such as South Korea and the US to continue to avail duty free and quota free facilities till 2029.

Mohamed Ali Hossain, finance director of PHP Group, said the government needs to ensure continuation of policies and the duty structure. Abrupt changes to policies negatively impact entrepreneurs, he added.

US GDP less than earlier reported

AFP, Washington

The US economy grew slightly less than reported in the final three months last year, the Commerce Department said Thursday, citing a downward revision to consumer spending.

GDP growth in the October to December period was 2.7 per cent, annualised, lower than the 2.9 per cent increase originally reported.

"The updated estimates primarily reflected a downward revision to consumer spending that was partly offset by an upward revision to nonresidential fixed investment," said the Commerce Department in a statement.

Depositors withdraw

FROM PAGE B1

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, thinks the recent media reports related to irregularities might have prompted the deposit withdrawal.

"Once the deposit figures of all types of banks become available, it will be clear whether the decline is a general trend or Islamic bank-specific," he said.

A spike in imports, declines in remittance inflows and high inflation have drained liquidity out of the Bangladeshi banking system, said Moody's report.

Despite the decline in deposits, investments by Islamic banks grew 4.9 per cent to Tk 405,202 crore at the end of December from Tk 386,221 crore in September. The growth stood at 14.6 per cent from the Tk 353,448 crore witnessed at the end of December 2021, according to BB data.

Mansur, a former official of the International Monetary Fund, said governance has to be ensured and irregularities that have taken place have to be addressed to regain the confidence of depositors.

"Islamic banks have to do the repair to regain the trust of people," said Prof Habib.

Collaborative efforts



Visitors make queries at a stall of BASIS SoftExpo 2023 in the capital yesterday.

PHOTO: COLLECTED

FROM PAGE B1

"Despite many initiatives, we have failed to overcome this weakness or even comprehend it, making it the key barrier to our advancement," he added.

With this backdrop, Ahmed urged higher-ups in the government to give the ICT industry the opportunity to engage in the execution of the country's ICT policies.

Shirin Sharmin Chaudhury, speaker of the national parliament, inaugurated the exhibition at the Bangabandhu Bangladesh-China Friendship Exhibition Centre in Dhaka's Purbachal.

Mustafa Jabbar, minister for post and telecommunication, and Zunaid Ahmed Palak, state minister for ICT, were present as special guests.

Chaudhury said the prime minister would consider the proposal of the BASIS president if it bears fruit for the people.

"Dependency on software is

increasing every day. There is no substitute for software in building a smart Bangladesh," she added.

Chaudhury hoped that BASIS members would contribute the most in this regard.

Over 200 stalls have already been installed at the fair, where software and IT-enabled service companies in the country are displaying their technological advancements to attract local and global clients.

The exposition houses two large business lounges, a shuttle bus service for visitors, gaming zones and many other conveniences.

Around 80 foreign delegates and businesses are participating in the business-to-business (B2B) matchmaking sessions.

The fair is focusing on creating more collaborative relationships at the national and international levels while also inviting trade delegations from other countries to experience the immense potential of the local

ICT industry.

An IT job fair and career camp, B2B matchmaking, outsourcing conference, startup conference, developers' conference and ministerial conference are taking place at the four-day event.

Nearly a dozen seminars and dialogues are being held with policymakers, ICT business leaders, national and international speakers, influencers, and motivators set to hold discussions under one roof.

These sessions are focusing on issues such as awareness and capacity-building programmes, e-commerce, cybersecurity, strength of the local ICT industry, human resource development, the scope for industry-academia collaboration, 4IR, and digital marketing.

Students from five universities, including the University of Dhaka, Brac University and Comilla University, are displaying their robots at the fair as well.



Workers are seen planting Boro paddy saplings in Batiaghata upazila of Khulna as the ongoing planting season is nearing an end. Experts say that delays in the release of crop data have led to uncertainties in ensuring food security. The photo was taken yesterday.

PHOTO: HABIBUR RAHMAN

Fair of S Korean products kicks off tomorrow

STAR BUSINESS REPORT

A two-day fair for South Korean companies in Bangladesh to showcase their latest products and technologies will begin tomorrow at the International Convention City Bashundhara in Dhaka.

The "Showcase Korea 2023" aims to promote bilateral trade and investment by strengthening business relations between Bangladesh and the Republic of Korea.

In collaboration with the South Korean embassy, the Korea-Bangladesh Chamber of Commerce and Industry (KBCCI) and Korean Community in Bangladesh jointly organised the event, supported by the Korea Trade-Investment Promotion Agency.

The KBCCI yesterday called a press conference at the Pan Pacific Sonargaon Dhaka to inform about the upcoming fair, which will be held to commemorate 50 years of diplomatic ties between the two countries.

Around 40 South Korean companies, including LG, Samsung, Youngone Corporation and Hyundai, will participate in the fair, according to the organisers.

Additionally, local importers and distributors of Korean products will have their own stalls and pavilions. This is a very important year for Korea and Bangladesh as it marks 50 years of bilateral relations, said Lee Jang-keun, South Korea's ambassador to Bangladesh.

Bilateral trade between Korea and Bangladesh reached new heights last year by exceeding \$3 billion, registering nearly 40 per cent year-on-year growth.

"South Korea is committed to improving economic relations with Bangladesh and Showcase Korea will play a significant role in getting more cooperation from the business communities of both countries," he added.

Ryu Young-oh, chairman of the Korean Community in Bangladesh, said economic relations between the two countries will expand further through the fair.

The main products to be exhibited are electrical and electronic goods, automobiles, textile machinery, accessories and equipment, cosmetics and chemicals, paper, and food and beverages.

LG and Samsung will be at the forefront of those displaying their latest electronic products while Fair Technology will showcase the newest models of Hyundai cars.

Even some Korean companies that do not have offices or agents in Bangladesh are coming to participate in the show with their world-famous products, the organisers said.

BBS finally releases Boro output data, nearly to no avail

MD ASADUZ ZAMAN

The Bangladesh Bureau of Statistics (BBS) last week finally made public its estimate of the amount of Boro season paddy produced in the country last year, which sadly will come to little effect as farmers will be harvesting this year's crops within a month or so.

Had the data been available prior to the planting of this year's crops, which is from November to February, the government could have better prepared its national production and import strategies to ensure food security.

Rice is a staple food for Bangladesh and Boro paddy accounts for nearly 55 per cent of the country's yearly rice production.

The harvest of Boro paddy runs between April and June, meaning the BBS took over seven months to provide the data.

Furthermore, the report on the estimate bears the signature of the BBS director dated January 16, signifying that he had approved it on that day.

However, the report was found in a part of the BBS website which was last updated on February 16.

This means that apparently it took the BBS one month to upload a report approved by the BBS director.

Availability of credible crop production data on time is vital

for proper and timely planning to ensure stability in the market, according to analysts.

The utility of this data is just record-keeping, said Prof Jahangir Alam Khan, an agricultural economist.

Had the data been available prior to the planting of this year's crops, which is from November to February, the government could have better prepared its national production and import strategies

It is totally not what is expected from the premier state body for collecting statistics on demographics, he said.

"The BBS should provide the data within one month after harvests end," said Alam.

Anwar Faruque, a former secretary to the agriculture ministry, said the real picture cannot be availed if there are delays in collecting and publishing data.

If the BBS could deliver it timely, like by the end of July or August, the government could have formulated the right strategies for food security, he said.

The government could think about relevant import and export. Even a few months ago, there was a major concern over whether there could be a food crisis, he added.

"Basically, we have two problems—availability of timely data and accurate data," he said.

Last season's (fiscal year 2021-22) Boro output was 2.01 crore tonnes, which increased by 1.5 per cent year-on-year.

The Daily Star has repeatedly tried to contact with

Alauddin Al Azad, director of the agriculture wing of the BBS, and Md Motiar Rahman, director general of the BBS, neither received repeated phone calls nor responded to SMS for comment from The Daily Star yesterday.

However, earlier in November, Azad told this newspaper that the data could not be finalised as the director general of the BBS was ill.

"The report is almost complete, and we will release the report when the DG (director general) of the BBS joins office," he said.

According to officials, the BBS collects and processes crop production data manually, which takes up a lot of time.

The bureaucratic system, which involves approvals from high officials and authorities, also causes delays in the release of the data from the national statistical agency.

CSR or eyewash!

MAHTAB UDDIN AHMED

A common sight during winter months in recent years has been the distribution of blankets by our politicians, corporate leaders and businessmen to communities with little or no real need for them. News and social media coverage, mobile clicks and press conferences may outnumber the total spending on these so-called noble endeavour that go by the CSR (corporate social responsibility) title.

A global trend, CSR is now the subject matter of high-ranking international meetings on the environment, climate etc., with very little to its credit. The trending manner and race for CSR seem to outstrip and dilute its purpose and the term CSR into corrupt social responsibility!

How often do prominent corporate leaders donate to schools, hospitals, or care centres? Why are corporates so prominent in their CSR?

In most cases, a CSR budget is allocated for a year, and it must show a return in the same year. The so-called good corporates also use the CSR budgets to satisfy critical stakeholders to fund their CSR or their spouse's CSR initiatives. I know many examples where top officials, including lawmakers, seek assistance in their areas to garner local support using the fund of CSR.

There are also those that use CSR to get tax benefits, pressing the National Board of Revenue (NBR) for more concessions.

I recall an incident dating back almost 15 years, where Mr Anis Ud Dowla, chairman of ACI Group, surprised his audience by going against the flow in a session on CSR organised by the



American Chamber, saying, "Our first duty is to pay taxes to the government and take care of your employees... once you do that, you can concentrate on CSR."

His words still ring in my ears! Certain big local business houses in the country dodge taxes and deprive employees but are very active in CSR engagements in their local areas.

Let's do a quick calculation of CSR RoI (Return on Investment) of blanket distribution. If one distributes 1,000 blankets worth around Tk 5 lakh, it will cost another Tk 5 lakh to organise a press conference in a five-star hotel. If 10 newspapers cover the story (free of charge), they receive a benefit worth Tk 10 lakh or more of free publicity.

If one considers social media mileage, it will be considered a very profitable investment, let alone the leader's branding. I must confess that I was also a part of this culture at one time.

A study by the Harvard Business Review found that companies with vital CSR programmes experienced a long-term positive impact on financial performance.

Another study by the Global Reporting Initiative found that companies with high levels of sustainability experienced a positive effect on financial performance and increased stakeholder trust. Global corporates and their leaders are very aware of the economic benefits of CSR programmes. Hence, it is more of an investment than a selfless contribution or charity.

CSR is commendable if it is implemented effectively and aligned with the values and goals of the organisation, and tailored to the need of the beneficiaries. When companies engage in responsible CSR that goes beyond profit-making and consider the long-term impact of their actions on society, the environment, and their stakeholders, the benefits can be multifold, including long-term business benefits.

It is vital to ensure that CSR efforts are genuine, transparent, and accountable and not used to distract the public or cover up unethical practices. The blanket distribution and the likes that go around in the media seasonally make CSR appear to be a corrupt social responsibility!

However, CSR can be a powerful tool for development and transformation if carried out ethically and selflessly. Even the recommended zakat (mandatory charity in Islam) to share the wealth with the underprivileged can make Bangladesh a better place to live in if made with greater planning and sustainability.

The author is a telecom and management expert

Trade thru Benapole to get a boost for new infrastructure

Says Indian envoy

STAR BUSINESS REPORT

The second passenger terminal building is being constructed while another cargo terminal gate is going to be erected at the Petrapole-Benapole Integrated Check Post (ICP) in order to facilitate smoother movement of goods and people between the two countries.

The Petrapole-Benapole border is a crucial gateway for trade between India and Bangladesh, with more than 70 per cent of the land-based bilateral trade going through the land port. The port has been operational since 2017.

Given the importance of the Petrapole-Benapole ICP to the movement of passengers, a new passenger terminal building with modern amenities was inaugurated in September 2021.

A second passenger terminal building is under construction. In addition, a second cargo terminal gate is going to be constructed with grant assistance from India.

"This is expected to double the cross-border throughput of vehicles per day," said the High Commissioner of India in a press release yesterday.

The statement came after Pranay Verma, the high commissioner of India, met with senior officials from both countries while visiting the check post.

During the meeting, the envoy discussed various issues related to border management, trade facilitation and infrastructure development.

READ MORE ON B2



A man looks at an index board showing the latest share prices at the Pakistan Stock Exchange in Karachi on February 14. Pakistan's central bank is set to raise interest rates as early as this week in an off-cycle review, investors said, as the South Asian nation faces pressure to mend its finances amid a \$1 billion loan it is seeking from the International Monetary Fund.

PHOTO: AFP

Insurers asked to take prior nod for branch relocation

STAR BUSINESS REPORT

Bangladeshi insurers have been asked to take prior permission from the insurance regulator in case of relocation or closure of any branch or office.

They also have to apply to the authorities for a new licence with information of the previous relocation or closure if they want to reopen a branch on the location they have previously relocated from.

The Insurance Development and Regulatory Authority (IDRA) shared the information through a circular issued yesterday.

Moreover, the insurance companies should publish an advertisement in local and national newspapers in case of branch relocation or closure to inform clients about it and later they have to send a copy of the ad to the IDRA, according to the circular.