

Star BUSINESS



EXPERTS SAY...

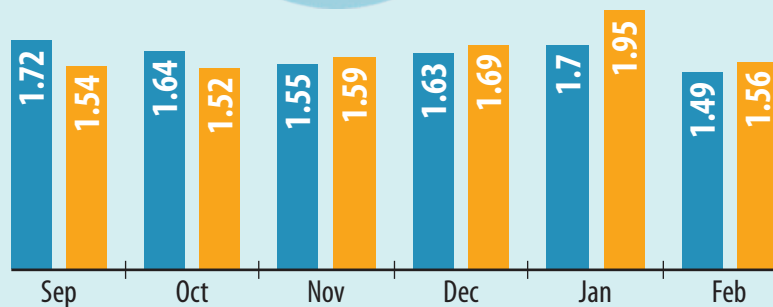
- Current remittance flow not enough
- More steps should be taken to contain hundi
- Forex market still in a tight situation
- Banks should cautiously monitor dollar inflow the entire year

REMITTANCE INFLOW

(In billions of US dollar)

■ FY22 ■ FY23

SOURCE: BB



The upward trend of remittances will help ease the ongoing stress in forex market to some extent. But we should put more efforts to increase the inflow.

Selim RF Hussain
Chairman of ABB

Remittance rises in Feb year-on-year But declines compared to Jan

STAR BUSINESS REPORT

Remittance inflow has increased 4.46 per cent year-on-year to \$1.56 billion in February this year as expatriate Bangladeshis have been opting to use the legal channel in the last couple of months to send their hard-earned money.

Both banks and Bangladesh Bank have recently taken various measures to encourage expatriate Bangladeshis to send their money through the banking channel, which is now paying off, said a central bank official.

Experts, however, say that the current inflow of remittance was not enough to tackle the erosion of the country's foreign exchange reserves.

READ MORE ON B3

Banks hike dollar rate for exporters

STAR BUSINESS REPORT

Banks yesterday hiked the rate to purchase US dollars from exporters by Tk 1 to Tk 104 as part of efforts to set a uniform exchange rate in Bangladesh by June replacing the ongoing multiple exchange rates.

The Association of Bankers Bangladesh, a platform for managing directors of banks, and the Bangladesh Foreign Exchange Dealers' Association, a platform that implements foreign exchange rules in the market, took the decision.

Earlier, the two platforms took a decision to provide Tk 103.50 instead of Tk 103 for every dollar if the exporters fetch their proceeds of December and January by February this year.

"But commercial banks have raised the exchange rate for exporters significantly as we are on course to establishing a single exchange rate in the banking sector in line with the central bank's decision," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Banks provide Tk 107 for a greenback to mobilise remittances from exchange houses located abroad.

READ MORE ON B3

Reduced corporate tax rates yield no benefits

Say two leading chambers

STAR BUSINESS REPORT

Companies in Bangladesh are failing to benefit from the reduced corporate tax rates owing to limits on cash transactions imposed by the National Board of Revenue (NBR) in the current fiscal year, said two leading chambers yesterday.

The tax authority has cut the corporate tax rate by 2.5 percentage points to 27.5 per cent for 2022-23.

But it comes with a condition: a non-listed company can avail the reduced tax benefit if it uses bank transfers in order to receive all revenues and receipts, make all single transactions exceeding Tk 5 lakh, and execute expenses and investments worth more than Tk 36 lakh annually.

In case of failure to do so, companies will have to pay 30 per cent taxes on their profits.

In separate tax proposals submitted to the NBR yesterday for 2023-24 beginning from July, the

Metropolitan Chamber of Commerce and Industry (MCCI) and the Foreign Investors' Chamber of Commerce and Industry (FICCI) called for the relaxation of the provision of cash transactions as non-cash payments or cashless transaction are not widely accepted in the economy.

headquarters of the revenue board in Agargaon.

The MCCI, which represents large companies that generate around 40 per cent of the state's revenue, said industries are expanding under the present context, in which both formal and informal systems are at play.

The current additional tax exposure exceeding the cash payment limit of Tk 36 lakh annually is a barrier for businesses to thrive on the benefits of the reduced corporate tax rate, said Snehasish Barua, partner at Snehasish Mahmud & Co, a chartered accountancy firm, while presenting the tax proposals on behalf of the FICCI.

"It needs to be acknowledged that a major portion of the economy of Bangladesh is still informal, where non-cash payments are still not widely accepted."

Both chambers also complained of higher effective tax rates because of the disallowance of expenses by the tax officials claimed by the

READ MORE ON B3

More than 80 per cent of Bangladesh's economy is informal. Under the socio-economic context, it is not possible for companies to take benefit of the reduced taxes.

Md Saiful Islam
MCCI President

Saudi assures of help as Dhaka seeks duty benefit for 213 products

DIPLOMATIC CORRESPONDENT

Saudi Arabia has assured Bangladesh of extending cooperation when it sought duty-free access for 213 products to the market of the kingdom.

The development came when Salman Farhan, private industry and investment adviser of the prime minister of Bangladesh, held a meeting with Saudi Commerce and Media Minister Majid bin Abdullah Al Qasabi at the latter's office in Saudi Arabia on Tuesday.

Rahman also sought the Saudi minister's support in setting up a joint venture for a urea fertiliser company.

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Insurers' asset, investment growth drops

Experts blame business slowdown

SUKANTA HALDER and AHSAN HABIB

The life and non-life insurance sectors have been in a tight spot for the past three years due to the economic shocks resulting from Covid-19 and the ongoing war between Russia and Ukraine.

As a result, their asset accumulation and investment growth dropped in 2021 and 2022.

Assets of insurers rose 4.55 per cent to Tk 63,629 crore last year while it grew by 6.29 per cent and 7.27 per cent respectively in 2021 and 2022, according to the

Insurance Development and Regulatory Authority (IDRA).

The last three years was not a good time for the insurance sector for various reasons, namely the global economic turmoil stemming from the coronavirus pandemic and Russia-Ukraine war, said Ahmed Saifuddin Chowdhury, managing director and CEO of Bangladesh General Insurance Company Limited.

No private industry in the country showed significant growth during the period as economic fallout had an

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Stalemate eases over waiver certificates at Ctg port

DWAIPAYAN BARUA, Ctg

A breakthrough finally came about yesterday over a stalemate centring issuance of waiver certificates which allow foreign flagged container vessels to carry cargo to and from the country's seaports.

Following a directive of the Department of Shipping's director general (DG) at a tripartite meeting in his Dhaka office, Mercantile Marine Department (MMD) in Chattogram has started issuing the certificates against applications of some 15 container vessels.

Operators of foreign container feeder vessels were either facing unusual delays in obtaining the certificate or being denied the document altogether since February 6.

On being denied, Dubai-based feeder operator Unifeeder withdrew one of its two

READ MORE ON B3



প্রচলিত ব্যাংকিং সেবার পাশাপাশি
সাইথইস্ট ব্যাংকের ১৩৫টি শাখা, ২২টি উপশাখা ও
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ইসলামিক ব্যাংকিং-এর সকল আধুনিক ও
প্রযুক্তিভিত্তিক সেবা গ্রহণ করতে পারবেন।

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A worker stacks clay to be moulded into the shape of bricks before they are baked hard in kilns. A day's pay depends on the skill each worker has, so working from 3:00am till evening can earn each anywhere from Tk 700 to Tk 1,500. The photo was taken at Dapdapia area in Jhalakathi's Nalchity upazila recently. PHOTO: TITU DAS

Oil price rises

REUTERS, London

Oil extended gains for a second session on Wednesday after a strong jump in manufacturing in China, the world's top crude importer, boosted the outlook for global fuel demand.

China's manufacturing activity expanded at the fastest pace in more than a decade in February, an official index showed on Wednesday, adding to hopes that the country's recovery can offset a global slowdown and increase oil demand.

Brent crude rose 45 cents, or 0.5 per cent, to \$83.90 a barrel at 0910 GMT. US West Texas Intermediate (WTI) crude gained 49 cents, or 0.6 per cent, to \$77.54.

"China's economy is rebounding now, and this can only be a positive driver for oil prices," said Stephen Brennock of oil broker PVM.

While China's official manufacturing purchasing managers' index (PMI) climbed to 52.6 last month against 50.1 in January, a private sector survey also showed activity rising for the first time in seven months.

"Another round of upside surprise in China's PMI further provides conviction of a stronger-than-expected recovery, which supports a more optimistic oil demand outlook," said Yeap Jun Rong, market strategist at IG.

The demand signal from China was offset by signs of rising supply with an industry report pointing to rising crude stocks in the United States, the world's top consumer.

Golden Harvest launches franchise GoodFood

STAR BUSINESS DESK

Golden Harvest Agro Industries has launched a franchise, "GoodFood", at South Banasree (Block-L) in Dhaka recently.

Mohammad Shaker Shamim, managing director and CEO, inaugurated the franchise, said a press release.

Ahmed Hasan Al Baker, general manager for sales, Md Shahiduzzaman, chief financial officer, and Md Tanjir Alam, brand manager, along with other high officials were present.

Concord, housing institute in research deal

STAR BUSINESS DESK

The Concord Ready-Mix & Concrete Products and the Housing and Building Research Institute signed a memorandum of understanding recently on conducting research on technical aspects of producing environmentally friendly building materials.

Shahriar Kamal, managing director of Concord Group, and Md Ashraf Alam, director general of the institute, inked the deal at the former's head office in Dhaka, said a press release.

Under this agreement, both organisations will also ensure the appropriate usage of these materials, reduce the harmful effects of brick kilns on cultivable land, and take food security measures for the betterment of the nation.

Md Anwarul Haque, director of Concord Group, Syed Mahfuz Ahmed, adviser, and Md Nafijur Rahman, principal research officer of the institute, were present.

Dhaka stocks fall as investors book profit

STAR BUSINESS REPORT

All of three indices of the Dhaka Stock Exchange (DSE) fell slightly yesterday as risk-averse investors went for a quick profit-booking and followed a cautious stance ahead of December-end earning declarations.

The DSEX, the benchmark index of the top bourse in Bangladesh, edged down two points, or 0.03 per cent, to close at 6,214.

The DS30, the blue-chip index, slipped 0.11 per cent to 2,218 while the DSES, the shariah-compliant index, went down 0.14 per cent to 1,357.

However, turnover, a key indicator of the market, rose 7.6 per cent to Tk 452 crore. Of the securities, 68 advanced, 80 declined and 182 did not show any price movement.

"The indexes of the DSE slipped into the red after a two-day break as investors went for a quick profit-booking and followed

cautious stance ahead of December-end earning declarations," said International Leasing Securities Ltd in its daily market analysis.

The jittery investors are cautiously reshuffling their portfolios based on upcoming earnings expectations involving banks, non-bank financial institutions and insurance companies, said the brokerage house.

The general insurance sector rose 1.5 per cent, the life insurance sector was up 0.4 per cent and the tannery sector advanced 0.3 per cent.

The paper sector shed 2.4 per cent, the travel sector slipped 1.4 per cent and the jute sector declined 0.9 per cent.

Investors' activities were mainly focused on the IT sector, which accounted for 16.2 per cent of the day's total turnover. The life insurance sector represented 15 per cent of the turnover and the food sector 9.8 per cent.

Bangladesh General Insurance

Company topped the gainers' list with a jump of 10 per cent. Usmania Glass Sheet Factory, Dhaka Insurance, Al-Haj Textile Mills, and Ambee Pharmaceuticals rose between 6 and 9.5 per cent.

Orion Infusion was the sharpest loser, shedding 6.3 per cent. Sonali Paper & Board Mills, JMI Hospital Requisite Manufacturing, Bashundhara Paper Mills, and ADN Telecom were among the major decliners.

Genex Inlosys was the most-traded stock with its issues worth Tk 24 crore transacting, followed by Bangladesh Shipping Corporation, Shinepukur Ceramics, Olympic Industries, and ADN Telecom.

The Caspi, the all-share price index of the Chittagong Stock Exchange, went up 10 points, or 0.05 per cent, to close at 18,336.

Of the issues, 40 rose, 40 retreated and 58 did not see any price swing.

The turnover on the port city bourse increased more than three times to Tk 16.49 crore.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 1, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	2.27 ↑
Coarse rice (kg)	Tk 48-Tk 52	2.04 ↑	4.17 ↑
Loose flour (kg)	Tk 58-Tk 60	0	68.57 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 168-Tk 172	0.59 ↑	3.03 ↑
Potato (kg)	Tk 18-Tk 22	-27.27 ↓	21.21 ↑
Onion (kg)	Tk 25-Tk 35	-20 ↓	-36.84 ↓
Egg (4 pcs)	Tk 42-Tk 45	2.35 ↑	14.47 ↑

SOURCE: TCB



Mashrur Arefin, managing director of City Bank, and Prof Lutful Hassan, vice-chancellor of Bangladesh Agricultural University, exchanged signed documents of a memorandum of understanding on financial assistance for agricultural research and development to ensure sustainable food security in Bangladesh, at City Bank Centre in Dhaka recently. AKM Mominul Islam, a professor of the university, Md Zainul Abedin, director of BAU Research System, and Mohammad Mahbubur Rahman, additional managing director of the bank, were present. PHOTO: CITY BANK



Sohail RK Hussain, third from left, managing director of Meghna Bank, presents a bouquet to Ignatious Hemanta Corraya, president of Dhaka Credit, at the latter's head office recently as Corraya became president of the new board. Liton Tomas Rozario, CEO of Dhaka Credit, and Kazi Farhana Zabin, head of liability and wealth management of the bank, were present. PHOTO: MEGHNA BANK



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, virtually addresses an "Agent Banking Business Development Conference" and workshop on "Prevention of Money Laundering & Terrorist Financing" for Cumilla zone at the Bangladesh Academy for Rural Development's Moynamoti auditorium in Kotbari, Cumilla yesterday. Md Omar Faruk Khan, additional managing director, Md Siddiqur Rahman, deputy managing director, Md Maksudur Rahman, senior executive vice-president, and Md Monirul Islam, head of Cumilla zone of the bank, were present. PHOTO: ISLAMI BANK BANGLADESH

Robi Axiata

FROM PAGE B4

the fund that would be available for the entrepreneurs to Tk 5 crore.

The Robi CEO described r-ventures portfolio performance as stellar as the multiple on invested capital of the collective portfolio is almost four-fold.

RedDot Digital, a wholly-owned ICT focused subsidiary of Robi Axiata, is acting as the sponsor for the r-ventures fund. "RedDot's expertise will be invaluable in evaluating and supporting startups with a digital backbone," said Sethi.

According to Sethi, there are more opportunities for local startups and fewer challenges.

"However, in many cases, an idea that is good and works well gets ten copycats, which doesn't really work."

He said usually, a specific field or area is dominated by one or two startups. For example, ride-hailing is dominated by one or two players.

Sethi believes that the challenge is identifying the right problem.

"In my mind, Bangladesh provides a large set of opportunities in different fields, and that's what we are seeing in r-ventures 3.0."

He thinks the future of startups in Bangladesh is bright as a few factors will turn Bangladesh into a hotspot

for start-ups in the years to come.

He pointed to the size of the country's population and the rapid growth in data usage as major factors.

Last year, almost 60 per cent of early-stage startups were funded by investors in Bangladesh.

He said that most of the people involved in the successful startups in Bangladesh are local, have lived their lives here and know about the challenges local people face.

"The good idea comes once you have lived that life and you are deeply connected with those people who are your target audience."

He believes that formal idea generation through third parties doesn't work. "You have to be embedded in that culture and society. If you are able to do that and understand the problem very well, the solution that will emerge will be excellent."

"But if you import an idea from other countries and try to implement it here, it will most likely fail to scale up to the desired level and will not add value to customers. So, for a startup that wants to solve a real-life problem, it has to be made for Bangladesh, by a Bangladeshi."

"We are extremely encouraged to see that kind of ideas at r-ventures 3.0."

Rebounding dollar

FROM PAGE B4

"A stronger dollar poses a problem for risk assets," said Lauren Goodwin, economist and portfolio strategist at New York Life Investments.

Because of the dollar's central role in the global financial system, its fluctuations have widespread repercussions.

A stronger dollar tends to tighten global financial conditions while diminishing appetite for risk-taking and weakening global trade, the Bank for International Settlements said in a report in November. It also makes it more difficult for countries that borrowed in the US currency to service their debt, a problem often acutely felt by emerging market economies.

"The tailwind behind foreign currencies from a more dovish Fed is generally off the table," said Eric Leve, chief investment officer at wealth and investment management firm Baillard.

A stronger dollar also makes crude oil, gold and other dollar-denominated commodities more expensive to foreign buyers. Part of the 2 per cent year-to-date decline in Brent crude can be traced to the dollar's rebound, analysts at UBS Global Wealth Management wrote in late February.

India's factory growth slows to 4-month low

REUTERS, Bengaluru

India's manufacturing sector expanded at the slowest pace in four months in February but remained relatively strong amid buoyant domestic demand, despite higher inflationary pressures, a private survey showed on Wednesday.

Rising borrowing costs and weakness in manufacturing have slowed the Indian economy. It expanded 4.4 per cent last quarter year-on-year from 6.3 per cent in the previous quarter, data showed on Tuesday, slower than the 4.6 per cent predicted in a Reuters poll.

The manufacturing sector shrank 1.1 per cent in the quarter year-on-year, the second straight contraction reflecting a weakness in exports.

The Manufacturing Purchasing Managers' Index, compiled by S&P Global dipped to 55.3 last month from January's 55.4, but it was higher than a Reuters poll expectation for 54.3 and still well above the 50-mark separating expansion from contraction for a 20th straight month.

"Companies were confident in the resiliency of demand and continued to add to their inventories by purchasing additional inputs," said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.



A number of filling stations in the capital have been accepting payments through cards for a while. The photo was taken in Tejgaon Industrial Area recently.

PHOTO: ANISUR RAHMAN

Ready infrastructure to make economic zones attractive: DCCI

STAR BUSINESS REPORT

The government should put in place required infrastructural and utility facilities to ready economic zones and draw investments, said the Dhaka Chamber of Commerce & Industry (DCCI).

"The move of implementing 100 economic zones has created huge investment potential. It is crucial to ensure necessary infrastructural and utility facilities such as gas and electricity and transport routes with necessary compliance for the effective readiness of economic zones to attract investments," said DCCI President Md Sameer Sattar.

He made the comments during a meeting with Industries Minister Nurul Majid Mahmud Humayun at the latter's office in Dhaka on Tuesday, according to a press release.

Sattar said it is extremely important to take appropriate policy reforms and ensure their implementation to retain

the existing export market and create new export destinations in the post-LDC (least developed country) era.

"For the readiness of local industries after graduation, the identification of required policy gaps and reforms in existing regulations such as the SME Policy 2019 and the National Industrial Policy 2022 is essential."

According to the business leader, for the development of cottage, micro, small and medium enterprises (CMSMEs), the definition of SME needs to be redefined to exclude medium enterprises, as cottage, micro and small entrepreneurs are deprived of financial and non-financial facilities compared to their medium counterparts.

The National Industrial Policy said the industrial contribution to GDP can be increased by strengthening the light engineering sector, which mainly involves SMEs.

Furthermore, prompt implementation

of the 10 proposed light engineering industrial parks in five districts -- Dhaka, Narayanganj, Mymensingh, Narsingdi and Jashore -- with necessary infrastructure is required to strengthen the backward linkage industries, said the press release.

"It is crucial to ensure necessary infrastructural and utility facilities such as gas and electricity and transport routes with necessary compliance for the effective readiness of economic zones to attract investments."

Sattar also shed light on the global halal market valued around \$3 trillion.

"Bangladesh has a great chance to secure the global halal market by adding halal foods, drinks, garments and cosmetics and strengthening

the Bangladesh Standards and Testing Institution with international accreditation," he said.

"We should tap the potential of the global halal market," Nurul Majid Mahmud Humayun added.

"For that to happen, the private sector should come forward with investments."

He assured to extend all possible support to industries from the government.

The industries minister said that the government is relentlessly working for the betterment of a business-friendly environment.

He urged entrepreneurs to inform the industries ministry about the specific problems that they are facing so that it can take up the issues and resolve them.

Industries Secretary Zakia Sultana, DCCI Senior Vice-president SM Golam Faruk Alamgir and Vice-president Md Junaed Iba Ali were also present during the meeting.

Ensure insurance claims are paid after proper investigation

PM says on Insurance Day

UNB

Prime Minister Sheikh Hasina yesterday called for ensuring that insurance claims were paid after proper investigation to curb anomalies in this sector.

"Make sure that you are paying the money claimed after appropriate investigation and examinations," she said.

The prime minister said this while addressing a programme to observe National Insurance Day 2023 at Bangabandhu International Conference Centre with the theme "my life and asset will be secured if these are insured".

She said there were allegations of anomalies over the payment of money claimed with unscrupulous people claiming hefty amounts of money against insured items.

"My request to the people and authority involved in the insurance sector is to remain alert to ensure inquiry for finding out the actual loss from any incident," she said.

She asked them not to pay any money without conducting proper investigations bowing down to pressure from any person.

She asked all people and authorities involved in the insurance sector to sincerely look into various anomalies in this sector.

"Please do not give in to any pressure. Many people come to us, to me and the ministers or any other person, for getting favour, but you have to find out the actual loss," she said.

Hasina said any person can claim a hefty amount for his or her insured item but the authorities concerned have to pay the money after proper investigation and examination.

"Why is not that being implemented? Then should I think that the investigators are also the beneficiaries of this (anomaly)? I doubt they also have involvement in this," she said.

She mentioned that she does not want insurance companies to earn a bad name because she was also a member of this family. "I have to look after this."

STOCKS	
DSEX ▼	CASPI ▲
0.03%	0.05%
6,214.69	18,336.39

COMMODITIES	
Gold ▲	Oil ▼
\$1,836.04	\$76.16
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.76%	▲ 0.26%	▼ 0.23%	▲ 1.00%
59,411.08	27,516.53	3,255.08	3,312.35

Insurers' asset, investment

FROM PAGE B1

adverse effect on companies' wealth and investment.

"The period was so tough that many insurers had to settle claims even if they didn't make profit. As a result, many of them had to settle claims by encashing their fixed deposit receipts [FDRs]," he said.

"So, how can investment grow when they are settling claims by pouring cash and FDRs?" Chowdhury added.

Investments by insurance companies rose by around 1 per cent to Tk 46,484 crore in 2022 while it had increased by 5.80 per cent and 8.34 per cent respectively in the two years prior, IDRA data shows.

Premiums collected by the insurance sector rose nearly 17 per cent year-on-year in 2022 even though the business continued to face the challenges of Covid-19 and Russia-Ukraine war.

"Insurance companies suffered due to the recent US dollar shortage as the subsequent economic fallout impacted the overall business," said Md Sana Ullah, managing director and CEO of Bangladesh National Insurance Company Limited.

Businesspeople were facing obstacles to import raw materials by opening letters of credit (LCs) but even so, they had to bear all the expenses on a regular basis.

So, the growth of the assets of the companies was hit. Besides,

investment growth slowed down too, he added.

LC opening slumped 14 per cent year-on-year in the July-December period of the current financial year (2022-23). Meanwhile, settlements declined 9 per cent, as per Bangladesh Bank data.

Ullah expressed concerns that the year 2023 will be the worst for the insurance industry compared to its performance in the last three years.

Sheikh Rakibul Karim, CEO of Guardian Life Insurance Limited, blamed the economic recession caused by Covid-19 for the sufferings of the insurance sector as the situation has had a huge effect on business.

"When a company gets older, their insurance maturity increases so their life fund drops," said Jalalul Azim, managing director and CEO of Pragati Life Insurance.

If the life fund drops, then the asset does not rise at the previous rate. Assets of insurance companies can also drop due to embezzlement.

In addition, assets can fall due to huge losses incurred from stock market investment, he added.

Currently, there are 35 life insurance and 46 non-life insurance companies active in the country. Of them, 49 are listed with the stock market.

The insurance industry contributes only 0.4 per cent to Bangladesh's growing gross domestic product.

Reduced corporate tax

FROM PAGE B1

companies and the higher rate of tax deducted at source.

"We can't enjoy the benefit of the reduction of corporate taxes. In reality, the tax rate goes up to 50 per cent for listed companies, although the present rate is 20 per cent," Barua said.

"The effective tax rate is extravagant," said FICCI President Naser Ezaz Bijoy.

Though the applicable corporate tax is 20 per cent and 27.5 per cent for publicly traded and private limited companies, respectively, the effective tax rate is much higher due to the implication of some provisions in the tax laws and the deduction of tax at source, he said.

"Therefore, we are proposing to reduce the effective tax rate in conjunction with the tax rate in our neighbouring countries."

The FICCI demanded rationalisation of the tax deducted at source, saying in certain cases, the tax is considered as the minimum tax for that source of income.

In response, NBR Chairman Abu Hena Md Rahmatul Muneem said a lot of transactions and expenses are done through outsourcing and payments can be done without cash.

He urged the FICCI to give a list of items that are purchased using cash.

The FICCI suggested the NBR collect the data on deposits against

bank accounts in order to find out whether taxpayers have declared them in their returns.

"Some taxpayers may not declare all of their bank accounts in their tax returns in order to evade taxes," said the FICCI.

"This reconciliation process can be automated," said Barua.

The FICCI also suggested the tax authority update the land value to reflect market realities and reduce the registration cost and tax rates to curb the scope of undeclared incomes.

At present, land and properties are mainly transferred based on the official rates although the actual value of the properties is higher.

Barua said: "This creates black money."

In the budget proposals, the FICCI demanded the NBR make the VAT online system user-friendly.

"It is getting difficult for users to use the online portal. If the suggested improvements are incorporated, the portal will be user-friendly."

The MCCI called for bringing down the number of areas where the submission of the proof of tax returns is mandatory from the present 38 and automating the tax system.

Muneem said: "The present VAT law is designed to implement through automation. If we want to implement it properly, we will have to go there. We are working to make the VAT return system easy."

Stalemate eases

FROM PAGE B1

container ships from the Chattogram-Colombo route on February 20.

The Bangladesh Flag Vessel (protection of interest) Act 2019 priorities locally-owned vessels and stipulates that they must carry 50 per cent of all sea-borne cargo.

The certificate waives this rule and obtaining it is mandatory for foreign ships intending to carry cargo to and from Bangladesh.

The DG, Commodore Md Nizamul Haque, chaired the meeting which was attended by representatives of both Bangladesh and foreign flagged vessels.

The meeting took some decisions.

One was that main line operators (MLOs) would give cargoes to Bangladesh flagged vessels and also enter into a common carrier agreement with them at the lowest or a competitive freight rate as determined by the annual tender, said sources attending the meeting.

Upon receiving the online applications, the MMD will decide on issuing the waiver certificate within a prescribed 72 hours.

If a decision is not provided by then, it will be assumed that the

waiver certificate has been granted automatically, they said.

In case of a denial, Bangladesh Ocean Going Vessel Owners Association (BOGSOA) will need to give detailed information of the vessel which would carry the associated cargo at the particular port and date.

If a vessel is not made available, penalty provisions will be invoked.

Confirming the decisions, the DG told The Daily Star that interests of both Bangladeshi and foreign flagged vessels need to be ensured to keep foreign trade smooth.

He said Bangladeshi flagged vessels need to take part in the trade with competitive freight rates while the MLOs and feeder vessels should also share cargo with the locally owned vessels showing respect to the law.

A senior official of a foreign shipping line attending the meeting said they have no problem to share cargo with the Bangladeshi flagged vessels if they offer competitive freight rates through annual tender.

Bangladesh Shipping Agents Association Chairman Syed M Arif said they would observe the procedure in the coming days.

Saudi assures of help

FROM PAGE B1

Mentioning the excellent relationship between the two countries, Qasabi said he would provide all kinds of support towards this end, according to a press release of the Bangladesh embassy in Riyadh.

In a separate meeting, Saudi Basic Industries Corporation (SABIC) CEO Abdulrahman Al-Fageeh also welcomed the concept note on the fertiliser factory presented by Salman F Rahman. He agreed to proceed with the idea.

Al-Fageeh also agreed to go ahead with Bangladesh's idea of establishing a strategic business relationship in manufacturing artificial fabric as Bangladesh's readymade garment sector has the associated capability.

He said Bangladeshi businesspeople could discuss the matter with SABIC.

Qasabi will lead a delegation to the

Bangladesh Business Summit, to be held in Dhaka on March 11-13.

They also talked about a joint business council meeting to be held in Bangladesh during the summit.

About two million Bangladeshis work in Saudi Arabia, which is a major source of migrant remittances and fuel oil. Bangladesh maintains a strong relationship with Saudi Arabia, a major member of the Organisation of Islamic Cooperation.

Bangladesh's Ambassador to Saudi Arabia Javed Patwary and other officials of the embassy were also present during the meetings.

In fiscal year 2021-22, Bangladesh's exports to Saudi Arabia amounted to \$290 million against imports of \$1,693 million in the same period, according to data from Bangladesh Bank and the Export Promotion Bureau.

Banks hike dollar

FROM PAGE B1

Importers have to buy the US dollar based on the weighted average exchange rate plus Tk 1.

Banks started to offer multiples rates for the US dollar since the middle of September 2022 in order to contain the volatility in the foreign exchange market resulting from higher imports than exports and remittance earnings.

Foreign currency reserves fell to \$32.45 billion on February 22, down from \$45.84 billion a year earlier, BB data showed. The taka has lost its value against the US dollar by more than 22 per cent during the period.

Remittance rises in Feb

FROM PAGE B1

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the inflow should have crossed \$2 billion each month given the human resources being exported abroad.

"But we can't maintain the ceiling thanks to the dominance of the hundi cartel. Although remittances have increased a bit in recent months, this is not enough to tackle the stress that is prevailing in the economy," he said.

More than 11.35 lakh Bangladeshis left the country for jobs abroad last

year, the highest in history, data from the Bureau of Manpower of Employment and Training showed.

Remittances in February, however, declined 20.3 per cent from that in January when expatriate Bangladeshis sent home \$1.95 billion, according to data from the central bank.

A Bangladesh Bank official said the month of January contains 31 days whereas February was of 28 days, so it was logical for a lower amount of remittance to come last month.

Between July and February of this fiscal year, remittance inflow

Asia Pharma Expo kicks off today

STAR BUSINESS REPORT

The Asia Pharma Expo-2023, the largest international trade fair for pharmaceutical companies in Bangladesh, will begin at the International Convention City Bashundhara in Dhaka's Kuril today.

Organised by the Bangladesh Association of Pharmaceutical Industries (BAPI), the three-day event will feature the latest pharmaceutical technologies, active pharmaceutical ingredients (API), their products and processes.

"More than 300 exhibitors from 25 countries, including India, Japan, Italy, Germany, France, South Korea and China, will showcase their sophisticated products and machinery," said SM Shafiuzzaman, secretary general of BAPI.

"We are organising the expo to introduce new technologies and build up the communication between manufacturers, suppliers, service providers and industry experts under one roof," he added.

Shafiuzzaman went on to say that basically industry people and experts will take part in the expo, where participants will have the option to place orders as well.

Nazmul Hassan, president of BAPI, will inaugurate the event as chief guest.



The Asia Pharma Expo is a platform for the chief executive officers and other top brass of pharmaceutical companies, drug regulatory authorities, quality controller and research officials, pharmacists, and so on.

The event will showcase products such as processing machinery, packaging machinery and materials, cleanroom and utility equipment, services, water treatment and management systems, API manufacturing plants and more.

The fair, which has no entry fee, will continue until March 4 and will remain open from 10:00am to 6:00pm each day.

Green Delta Ins posts lower profit in 2022

STAR BUSINESS REPORT

Green Delta Insurance Ltd posted a Tk 73.14 crore profit in 2022, a decline of 13.40 per cent year-on-year owing to a reduction in the earnings of subsidiaries and higher expenses against claims.

The insurance company made a profit of Tk 84.46 crore in 2021. Thus, Green Delta Insurance reported consolidated earnings per share of Tk 7.30 for last year against Tk 8.43 in 2021.

"Consolidated EPS decreased due to a fall of subsidiaries' profit and increased claim expenses," it said in a posting on the Dhaka Stock Exchange.

The consolidated net asset value per share dropped to Tk 68.96 in 2022 from Tk 69.32 in 2021 while the consolidated net operating cash flow per share returned to positive territory at Tk 5.94 from a negative Tk 1.70 during the period.

Consolidated NOCFPS increased because of a rise in gross premiums and re-insurance commissions, said the posting. The board of Green Delta Insurance has recommended a 25 per cent cash dividend for the year that ended on December 31.

Shares of the insurer rose 1.69 per cent to Tk 66.20 on the DSE yesterday.

Rebounding dollar a growing headache for investors

REUTERS, New York

Investors reeling from the recent volatility in global financial markets are eyeing another potential worry: a rebounding dollar.

The dollar has risen nearly 4 per cent from its recent lows and stands near a seven-week high against a basket of other major currencies, driven by bets the Federal Reserve will need to raise rates higher than many investors had previously forecast to cool inflation.

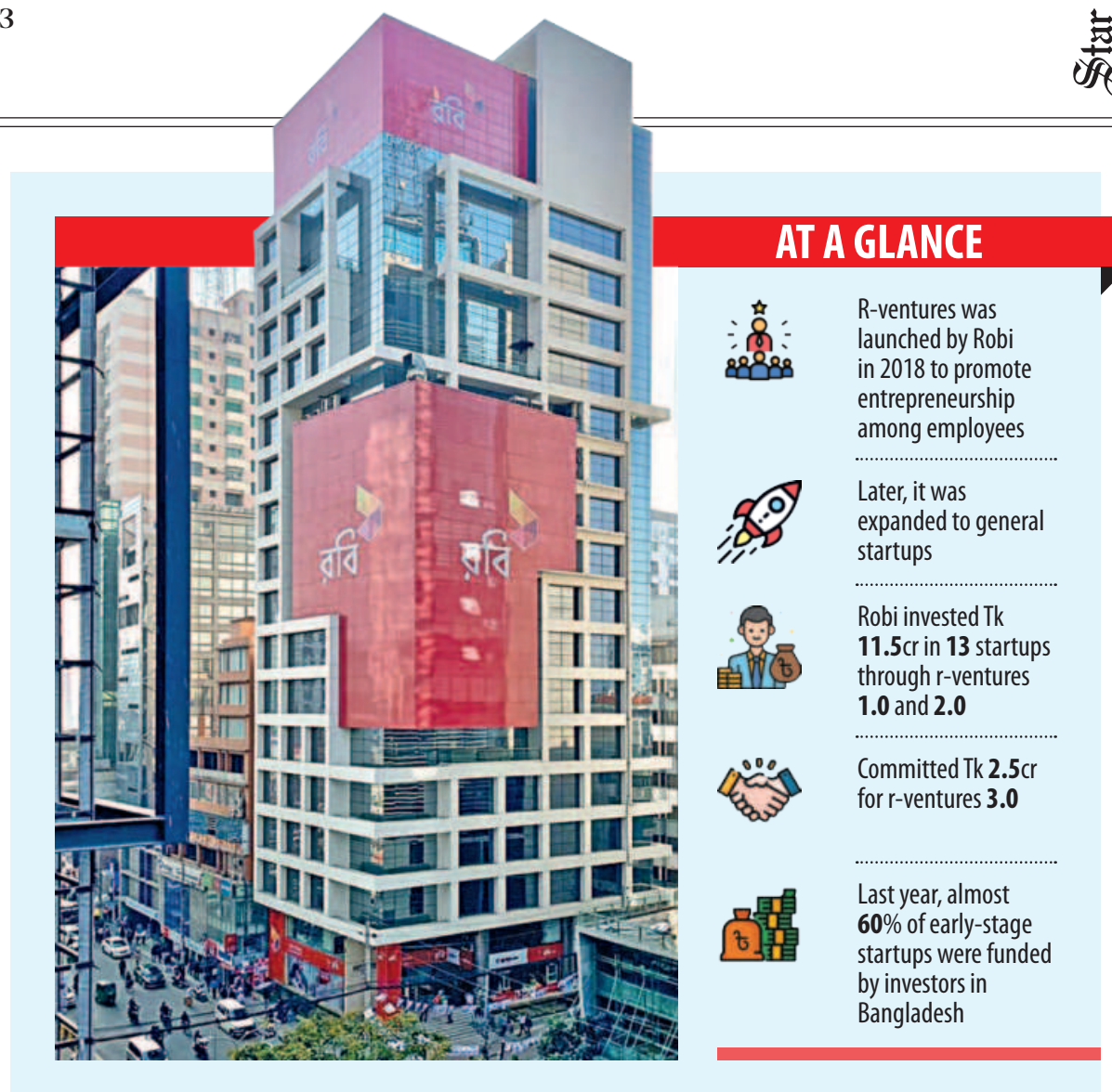


The US currency remains some 8 per cent below the twenty-year high it attained last year. Yet its rebound, along with a surge in Treasury yields, has already complicated the outlook for a range of trades that prospered as the dollar tumbled in the latter half of 2022.

MSCI's index for emerging market stocks has slipped 8 per cent from its January highs, while the MSCI Emerging Markets Currency Index is down 3 per cent from its early February high.

A rally in European stocks has also stalled, with the Stoxx Europe 600 Index nearly flat for the last three weeks after having gained about 20 per cent since late September. Gold, meanwhile, is trading flat on the year after having given up a 7 per cent gain.

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AT A GLANCE



R-ventures was launched by Robi in 2018 to promote entrepreneurship among employees



Later, it was expanded to general startups



Robi invested Tk 11.5cr in 13 startups through r-ventures 1.0 and 2.0



Committed Tk 2.5cr for r-ventures 3.0



Last year, almost 60% of early-stage startups were funded by investors in Bangladesh

Robi Axiata to keep supporting local startups

MAHMUDUL HASAN

Robi Axiata Ltd is keen to remain a catalyst for local startups through its digital entrepreneurship programme, r-ventures, as the second-largest operator is optimistic about Bangladeshi talents to solve real-life problems, its chief executive officer said.

"Through r-ventures, we are facilitating local startups with immense pride and excitement. I think there is a lot of potential in Bangladesh, and some unicorn will come out of this market within a few years," Rajeev Sethi told The Daily Star during an interview recently.

"There are really enabling people, especially youth in Bangladesh, to make a Smart Bangladesh. Smart Bangladesh will have smart solutions made locally. And r-venture fits here very well."

R-ventures was launched by Robi in 2018 with a view to building digital entrepreneurship among its employees. Later, it was expanded to startups. The initiative provides management advisory, mentorship, investor network access and funds for early-stage startups.

"The good part of r-ventures is that it identifies potential startups and gives them a solid platform beyond financial resources," said Sethi.

The grand finale of the initiative's third edition, dubbed r-ventures 3.0, is scheduled to be held on March 5, where 11 teams will compete for the top spots.

"The core philosophy of Axiata Group and Robi has been that we

positively impact society and invest in young people who have an idea but do not have the possible means, both financially and otherwise, to scale up their idea," Sethi said.

"This is the area where we thought it worth investing. This is how the idea came, and this has been super successful. We



Rajeev Sethi

started small, and now we started r-ventures 3.0. It has been a huge learning for us as well as pride as we have been able to contribute to startups and ecosystems in Bangladesh."

R-ventures has been making a significant impact in the startup landscape and the operator has registered the r-ventures private equity fund under the Bangladesh Securities and Exchange Commission (BSEC).

And Sethi believes the operator has greatly enhanced the chances of deserving startups to get the funding they need to take their ventures to the next level.

"R-ventures has also helped

channel the vitality of the capital market into the startup community through the private equity fund."

R-ventures has funded startups such as Shuttle, a mass transit startup, and AirBringr, a crowdshipping platform that connects local shoppers with international travellers for cross border shopping and shipping, and they have already seen some success.

"Startups such as Shuttle and Airbringr have become big now. We started small and supported them to grow. They are attracting both local and foreign investors," Sethi added.

The CEO believes that the role of Robi Axiata is that of a catalyst, and it can't be done alone.

"Several other players need to invest and help these startups."

Robi invested more than Tk 11.5 crore in 13 startups through r-ventures 1.0 and 2.0 and has committed Tk 2.5 crore for r-ventures 3.0.

Robi is fortunate to have an experienced partner like SBK Tech Ventures to guide startups in the right direction, he added.

SBK Tech Ventures is the fund manager and general partner of r-ventures. It specialises in early-stage digital startups in emerging markets such as Bangladesh and has received an alternate investment fund licence from the BSEC.

SBK, founded by Sonia Bashir Kabir, an impact investor, has also committed to matching the amount that r-ventures would invest in the start-ups, thus raising

READ MORE ON B2

SAIF Powertec launches brokerage firm

STAR BUSINESS REPORT

Listed logistics and container supply chain management provider SAIF Powertec has launched a sister concern, Trust Regional Equity, a TREC (trading right entitlement certificate) or brokerage licence holder of Dhaka Stock Exchange (DSE).

Prof Shibli Rubayat-UI-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC), launched its website on Tuesday.

The new generation brokerage houses should work to bring new investors and launch new products, he told the launching ceremony at Radisson Blu Dhaka Water Garden as chief guest.

The stock market is running well in all aspects, except for the secondary market, and there is little the BSEC can do about it, he said.

The market's condition will start improving from this month, when banks will start declaring dividends, he claimed.

The stock market is running well in all aspects, except for the secondary market, and there is little the BSEC can do about it, said Shibli Rubayat-UI-Islam, chairman of BSEC

Banks' investments in bonds are taken into account in their market expose limit but this will soon be overturned, allowing banks the opportunity to invest thousands of taka in the stock market, said Prof Islam.

Trust Regional Equity will try to support the stock market in various ways, said its chairman, Tarafder Md Ruhul Amin, who is also managing director of SAIF Powertec.

It will try to bring foreign investment but there are some problems, he said.

Its goal is to work for the development of the capital market, said Chief Executive Officer Tanya Sharmin.

Arif Khan, vice chairman of Shanta Asset Management and former commissioner of the BSEC, also spoke at the event.

SBAC Bank doubles authorised capital

STAR BUSINESS REPORT

South Bangla Agriculture & Commerce Bank Limited has decided to double its authorised capital.

Now, the authorised capital of the private commercial bank would be Tk 2,000 crore from Tk 1,000 crore.

For this purpose, it is decided to replace the capital clause of the bank's memorandum of association and articles of association, said the lender in a post on the Dhaka Stock Exchange.

Authorised capital refers to the maximum number of shares a company is legally allowed to issue or offer based on its corporate charter.

The board of the bank has also decided to shorten the name from "South Bangla Agriculture and Commerce Bank Limited" to "SBAC Bank PLC" as a limited liability public limited company.

For this purpose, it is decided to replace the name clause of the bank's memorandum of association, said the post.

In Bangladesh, companies are switching to the PLC 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.

Shares of SBAC Bank were unchanged at Tk 10.60 on the Dhaka Stock Exchange yesterday.



A bank employee counts China's renminbi or yuan notes next to US dollar notes at a bank in Bangkok. The dollar has risen nearly 4 per cent from its recent lows and stands near a seven-week high against a basket of other major currencies.

PHOTO: REUTERS

Adani says it secures \$3b credit from wealth fund

REUTERS, Hong Kong

India's Adani Group has told creditors it has secured \$3 billion loan from a sovereign wealth fund, two sources with knowledge of the matter said, as the embattled conglomerate seeks to ease concerns about its credit profile after a short-seller attack.

The credit line from the sovereign wealth fund could be upsized to \$5 billion, said the two sources, citing a memo that was circulated to participants as highlights of a three-day investor roadshow ending on Wednesday.

The identity of the sovereign wealth fund was not disclosed in the memo.

The sources declined to be identified as they were not authorised to speak with media.

A spokesperson for Adani did not immediately respond to a Reuters request for comment.