

'Saudis see immense trade potential with Bangladesh'

Top Saudi leader says
STAR BUSINESS REPORT

Bangladesh's bilateral trade with Saudi Arabia stood at around \$2 billion in 2021, which is way lower than the potential, and the kingdom believes the amount will increase manifold in the days to come, a top Saudi business leader said yesterday.

The Saudi king and the crown prince want to strengthen the kingdom's bilateral and regional relations with every friendly country, said Hasan Al-Huwaizi, chairman of the board of directors of the Federation of Saudi Chambers (FSC).

The Saudi government especially focuses on establishing relations with the countries which think alike and can help in moving forward in line with the global economies, he said.

Al-Huwaizi made the comments in a session of the ongoing Bangladesh Business Summit 2023 at Bangabandhu International Conference Centre in Dhaka.

The Saudi government especially focuses on establishing relations with the countries which think alike and can help in moving forward in line with the global economies

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) is organising the three-day event in partnership with the foreign ministry, the commerce ministry and Bangladesh Investment Development Authority (BIDA).

Prime Minister Sheikh Hasina's visit to Saudi Arabia gave a huge boost to the bilateral relation, when the premier also urged Saudi businesses to invest in different sectors of Bangladesh, including energy, ICT and petrochemical, Al-Huwaizi said.

Hasina also gave assurance of providing Saudi businesses with all-out support so that they can invest easily in Bangladesh, he said.

The number of visits of high-level officials of the two countries has increased in recent times as part of efforts to build strong economic relations, the top boss of the Saudi trade bodies' association said.

The Saudi government believes the decision taken in 2022 to establish a joint business council will play a vital role in building a strong bilateral tie, he said.

The deal signed for the council on October 31 last year will also improve the investors' capacity and omit all the barriers the businesses face in case of making new investments, he said.



Bangladesh Railway currently provides 16 engines for shipping goods between the Chattogram port and Kamalapur Inland Container Depot in Dhaka. Only nine or 10 were used in the January-February period this year. In 2021 and 2022, these trains ran 185 round trips on an average each month. It fell to 135 and 121 respectively in January and February this year. PHOTO: STAR/FILE

Goods transport thru Dhaka-Ctg railway halved

MOHAMMAD SUMAN, Chattogram

Cargo shipments to and from Chattogram port via railways have halved as import-export activities have fallen sharply amid the ongoing US dollar crisis, according to official sources.

About 9,211 import-export containers were moved by rail between Chattogram port and the Kamalapur Inland Container Depot (ICD) in Dhaka during the January-February period of the current calendar year.

During the first two months of 2022, some 19,078 containers were shipped between the port and the ICD, a 52 per cent decline.

"Transport of goods via railway has fallen due to the drop in imports and exports. The situation will return to normalcy if international trade activities rise again," said Enamul Karim, director (transport) of the Chattogram Port Authority (CPA).

As per data compiled by the CPA and Bangladesh Railway, 101,763 containers carrying 8.31 lakh tonnes of import-export goods were transported on the Dhaka-Chattogram route in the last fiscal year of 2021-22.

This was the first time in about 17 years that more than one lakh containers were

transported using the railway, earning the government Tk 113.59 crore as revenue.

In 2006-07, a total of 5.74 lakh tonnes of import-export cargo in 76,243 containers were transported on the route, collecting the government Tk 52.34 crores as revenue.

Bangladesh Railway has set aside 16 freight trains to ship goods on the route. About 10 were used in January and February.

The trains made up to 185 trips between Dhaka and Chattogram each month in 2021 and 2022, on average. The number of trips fell to 135 and 121 in January and February, respectively.

Karim thinks it will be possible to increase the usage of freight trains to transport import-export goods by generating awareness among businesspeople about the benefits, such as safety and cheaper costs.

"Railways and port authorities have held several discussions to this end and initiatives are being taken to make the rail transport easier and faster as well," he said.

Importers and exporters once preferred the freight train service. Now, they mostly use the road network since it is the quickest option.

"The railway authority should ensure faster services to generate interest among

businesspeople," said Mahbulul Alam, president of the Chattogram Chamber of Commerce and Industry.

"About 3-4 per cent of the import-export goods at Chattogram port are transported by rail. So, the pressure on the country's roads and waterways would reduce if the railway offers better facilities."

It currently costs between Tk 9,700 and Tk 16,100 to ship containers weighing 20 TEUs (twenty-foot equivalent units) on the Dhaka-Chattogram route by rail while it ranges from Tk 16,100 to Tk 22,600 for 40 TEUs.

Jahangir Hossain, general manager of the eastern zone of the Bangladesh Railway, said the railway is now providing more facilities as it has increased the number of locomotives and manpower.

"But there is not much demand for containers from traders due to the reduced import and export flow."

Hossain informed that several initiatives have been taken to increase the quality of rail services.

At present, 280 kilometres of the 320-kilometre Dhaka-Chattogram railway line have double tracks.

"By 2024, the entire railway will have double lines. Then it will be possible to transport goods faster than now," he said.

Frozen foods exporters assoc elects president

STAR BUSINESS DESK



Bangladesh Frozen Foods Exporters Association has recently elected its president for a two-year term (2023-24).

The electee, Kazi Belayet Hossain, managing director of Sobi Fish Processing Industries, previously led the association twice, said a press release.

Meanwhile, Ashraf Hossain Masud, managing director of the Masud Fish Processing and Ice Complex, was elected senior vice president.

Sheikh Md Abdul Baki, managing director of the Oriental Fish Processing and Culture, was elected vice president for Khulna region) while Md Shahjahan Chowdhury, managing director of the Revrain Fish and Food Processing Industries, vice president for Chattogram region.

Maqsurur Rahman (Mahi Fish Processing), S Humayun Kabir (Amam Sea Food Industries), Ashim Kumar Barua (Apex Foods), Md Masudur Rahman (Sea Fresh), Shyamal Das (MU Sea Foods), and Md Tariqul Islam Zaheer (Achia Sea Foods), were elected directors.

Aarong shifts Narayanganj outlet

STAR BUSINESS DESK

Aarong has shifted its Narayanganj outlet to Almas Point on 59 BB Road.

Tamara Hasan Abed, managing director of Brac Enterprises, inaugurated the new premises yesterday, said a press release.

The social enterprise of Brac is offering benefits through "My Aarong Rewards Customer Loyalty Programme" at this outlet for a limited time.

Mohammad Ashraful Alam, chief operating officer of Aarong, and other Aarong and Brac officials were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 11, 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 46-Tk 50	-4 ↓	0
Loose flour (kg)	Tk 58-Tk 60	3.51 ↑	57.33 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 168-Tk 172	0	0
Potato (kg)	Tk 18-Tk 20	-14.89 ↓	5.26 ↑
Onion (kg)	Tk 30-Tk 40	0	-41.67 ↓
Egg (4 pcs)	Tk 42-Tk 43	-7.61 ↓	14.86 ↑

SOURCE: TCB



Mohammad Abdul Mannan, executive director of Bangladesh Bank, attended a workshop titled "Unlocking the Potential of the Freight Forwarding Industry: Opportunities and Challenges" organised by Brac Bank in association with Bangladesh Freight Forwarders Association at Pan Pacific Sonargaon Dhaka recently. Sabbir Hossain and Tareq Refat Ullah Khan, deputy managing directors of Brac Bank, were present. PHOTO: BRAC BANK



First Security Islami Bank Managing Director Syed Waseque Md Ali, also chairman of the Task Committee of Islamic Banks Consultative Forum (IBCF), presided over an IBCF meeting at the Banks Association of Bangladesh's office in Gulshan last week. PHOTO: FIRST SECURITY ISLAMI BANK

How do we increase inward remittance?

FROM PAGE B4
The hundi cartel would remain popular unless exchange rates are made competitive, transaction costs are removed, and bank services are made efficient and semi-literate migrant-friendly.

Various global agency-backed studies have pointed to the lack of financial literacy and difficulty in accessing banks, particularly for the female family members of migrants. This should be looked into.

Experts also pointed out the exorbitant recruitment costs, about 50-60 per cent of which goes towards

"paying" visa traders in the destination countries. Without meaningful efforts to rein in the ever-increasing recruitment costs, particularly the illegal visa trade both at home and abroad, migrants will continue to bleed.

Additionally, most of our migrant workers are employed in low-paying, unskilled jobs. As a result, the amount of money they eventually send back home after their recruitment and living costs are deducted comes out to be very small. The World Bank has repeatedly suggested Bangladesh take steps to upskill its workers and look for emerging markets where

they can compete successfully.

The government also needs to come up with an integrated plan to address the complex reasons that are holding back the growth of our inward remittances and carry out research to find out why remittances are falling from the countries that have seen an increasing number of new workers from Bangladesh.

We also need to take a strong stance against trade mis-invoicing and rising capital flight and focus on the overall improvement in political governance in this regard.
The author is an economic analyst

Ensuring corporate governance

FROM PAGE B4

Last month, Singapore-based business magazine World Business Outlook honoured Iftekhar as the Best Banking CEO of the Year Bangladesh 2022, calling him "an avid promoter of sustainable development in the Bangladesh economy".

The magazine lauded his all-around performance in 2020-21. In the financial year, EBL clocked more than 13 per cent growth in earnings per share to Tk 4.88 from Tk 4.30 a year earlier.

The private bank's total assets grew 15 per cent year-on-year to Tk 38,881 crore. It attracted higher deposits and made significant investments compared to the previous financial year, according to its annual report for 2020-21.

In another major progress, EBL brought down NPLs to 2.74 per cent from 3.70 per cent.

This was way lower than the industry average of 8.16 per cent in 2022. It was 7.93 per cent in 2021, data from the Bangladesh Bank showed.

In 2022, EBL kept registering higher growth.

"We saw higher growth in deposits last year," said Iftekhar, adding EBL recorded 25-30 per cent higher collection in deposits and witnessed improvements in other major indicators.

"This is because people have trust in us."

EBL looks to retain its steady growth. "We don't want to proceed aggressively."

The bank plans to provide more services digitally apart from physical branches. So, it is investing in technologies to offer efficient services.

"We are focused on giving digital solutions to customers," said Iftekhar. EBL and the Federation of Bangladesh Chambers of Commerce and Industry are going to unveil a co-branded Visa Platinum credit card, marking the 50 years of the apex

trade on March 13, with a view to serving customers better.

Apart from investments in financial technologies, investments in human resource development are a must for banks to create good bankers, according to Iftekhar.

He has been working in the banking sector for 37 years ago. He spent half of his time at EBL, transforming the private commercial bank into one of the most successful financial institutions in the country.

"It is not right to switch jobs frequently in order to just gain some benefits."

"There is a tendency among young bankers to switch jobs. But it should not be. Rather, they should focus on building careers. It is also not right for the managing directors to change banks frequently either."

Iftekhar stressed ensuring professionalism in the banking sector.

In Bangladesh, allegations are rife that the boards of directors of many banks intervene in the day-to-day running of the lenders.

"Nothing is done by coercion in our bank," said Iftekhar.

He, however, highlighted the importance of having a good understanding between the management and the board. "The moment a gap in understanding surfaces, the problem occurs."

"Corporate governance is vital. All decisions taken by a bank should be guided by written policies."

Iftekhar led the Association of Bankers, Bangladesh, a forum of managing directors of the banks, for two terms.

He also talked about Moody's recent outlook downgrade regarding Bangladesh's banking industry.

The global rating agency early this month lowered its outlook of the banking system from stable to negative.

"It was a very harsh decision. Almost every country is facing the challenge and Bangladesh is not an

exception," Iftekhar said.

The downgrade would increase the cost of business as transaction costs for foreign trade financing are expected to go up.

"Ultimately, importers will pass the increased cost onto the shoulder of consumers," Iftekhar said.

He suggested steps to increase remittance inflows in a bid to overcome the current challenges confronting Bangladesh, including the pressure on foreign exchange reserves.

The reserves have slipped to a six-year low of \$31.15 billion, meaning it has fallen by about 30 per cent from the \$44.14 billion recorded in March last year.

"We have to increase remittances inflow at any cost. At the same time, exports will have to be increased," Iftekhar said.

He said Bangladesh has immense potential and it is going to be the 25th biggest economy in the world by 2035.

Going forward, Iftekhar said, "We have to proceed very carefully until June."

"From then, an improvement is likely."

Unilever Consumer Care posts 38.45%

FROM PAGE B4

The net asset value per share was Tk 139.60 in 2022 compared to Tk 122.88 in 2021, an increase of 13.61 per cent.

"The increase in NAV resulted from improved profitability of the company," said the disclosure.

The multinational company has declared a 300 per cent dividend for 2022: 240 per cent cash dividend and 60 per cent stock dividend.

This is the lowest cash dividend in at least eight years, data from the Dhaka Stock Exchange showed. This was the first time Unilever Consumer Care has announced any stock dividend.