The 16th Dhaka Motor Show, 7th Dhaka Bike Show, 6th Dhaka Auto Parts Show and 5th Dhaka Commercial Automotive Show are being held concurrently at the Bangladesh-China Friendship Exhibition Centre in Dhaka's Purbachal. Global automotive brands are showcasing their latest designs and products at the three-day event, which began yesterday.

PHOTO: RASHED SHUMON

Guideline soon on collaborations of insurance, tech firms: IDRA

STAR BUSINESS REPORT

The government will soon formulate a guideline for "insurtech" so that fintech firms and insurers can jointly boost insurance penetration, said Mohammad Jainul Bari, chairman of the Insurance Development and Regulatory Authority (IDRA), yesterday.

"Insurtech", a combination of the words insurance and technology, refers to the use of technology innovations designed to squeeze out savings and efficiency from the current insurance industry model.

"We will soon sit with stakeholders including the insurance industry and primarily, we will work for introducing a guideline for it," said Bari.

He was addressing a roundtable, "Importance of InsurTech for Building a SMART Bangladesh", organised by the Bangladesh Association of Software and Information Services (BASIS) on its own premises in Dhaka.

During the meeting, firms enabling use of insuretech handed him a draft policy on insurtech.

"It's a technological innovation, innovation means you work outside the box. Its success will dictate the regulation itself," said Bari.

All but one or two insurance-related challenges can be solved through technology, he said.

"There is no reason for a regulator to put any barrier in using technology as it increases transparency, facilitates real-time monitoring and ensures compliance," he added.

The global requirement will also be addressed in the guideline and the insurtech companies will get a no-objection certificate as per the guideline, said Bari.

The process of giving permission for a new product has also been formulated to be carried out faster. However, the insurance companies are very slow in marketing their products, he added.

There is a lot of potential for Bangladesh to boost its insurance penetration, which is currently very little, by forming a collaboration between fintech and insurance companies, said AKM Fahim Mashroor, chief executive officer of bdjobs.com.

At the roundtable, speakers said the role of insurance companies has to be such that it brings about a positive shift in the insurance sector of Bangladesh.

The speakers said since there was no government policy or regulation on insurtech, there was no viable long-term investment in this sector.

At present, only licensed insurance companies can offer only insurance services.

A lot of venture capital investment has been made in the insurtech sector in many other developing countries including India, China and Indonesia.

But in Bangladesh, there is no inflow of foreign investment in insurtech companies due to a lack of legal recognition.

Hasina Sheykh, chairman of the banking and insurance department at the University of Dhaka, presented a keynote at the event.

This technology is designed to enhance the operations of insurance companies and the insurance industry as a whole, she said.

Insurtech saves cost and is efficient for the current insurance industry model, she added.

She said the insurance sector in other countries, including those in the subcontinent, has considerably higher market penetration with a much wider range of products than that in Bangladesh.

The global insurtech market of $5.45 billion is growing at a stellar rate and the market value is expected to expand at 52.7 per cent annually between 2023 and 2030. There are 30 insurtech unicorns so far.

There are more than 110 insurtech startups in India and 335 such companies in the Asia-Pacific region.

In Bangladesh, there are around 15 companies working with insurance companies to provide insurance solutions digitally or enable insurance through information technology.

Fida Haq, co-founder and CEO of adorsho praniSheba Limited, an insurtech firm, moderated the event.

Banks feel impact as Asian markets are hit by contagion fears

AFP, *Hong Kong*

Asian markets slid Thursday, led again by banks, with contagion talk sweeping across trading floors owing to fears about European giant Credit Suisse.

Already jittery investors have been in panic mode since the collapse of two regional US banks over the weekend sparked a sell-off across equities and ramped up concerns of a global recession.

While commentators have said the crisis should be contained and most major lenders had little exposure to the firms -- Silicon Valley Bank and Signature Bank -- news of trouble at Credit Suisse once again sent traders running for the hills.

Switzerland's second-biggest bank tanked nearly 25 percent after Saudi National Bank -- its main shareholder -- said it would "absolutely not" up its stake in the firm.

That came a day after its annual report cited "material weaknesses" in internal controls at the firm, which has been hit by a series of scandals in recent years.

The Swiss central bank insisted that capital and liquidity levels at the lender were adequate, but stressed it was ready to make liquidity available to Credit Suisse.

Credit Suisse later announced it would borrow nearly $54 billion to "support" the group.

The developments sent shivers through markets as memories of the global financial crisis came flooding back.

Bank shares were hammered, with Britain's Barclays, Germany's Commerzbank and Wall Street titan JP Morgan diving around five percent.

Embattled midsized lender First Republic Bank collapsed more than 20 percent in New York and it has now lost more than 70 percent over the past week.

Markets in London, Paris and Frankfurt lost more than three percent.

The fear spread to Asia, where Japan's Sumitomo Mitsui Financial and Mitsubishi UFJ Financial shed more than four percent apiece, while South Korea's Hana Financial Group gave up nearly three percent and HSBC dropped more than two percent.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (MAR 16, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	3.85 ↑
Coarse rice (kg)	Tk 46-Tk 50	-4 ↓	3.23 ↑
Loose flour (kg)	Tk 58-Tk 60	0	57.33 ↑
Lentil (kg)	Tk 95-Tk 100	0	-4.88 ↓
Soybean (litre)	Tk 168-Tk 172	0	0 ↑
Potato (kg)	Tk 16-Tk 20	-20 ↓	-5.26 ↓
Onion (kg)	Tk 25-Tk 35	-7.69 ↓	-33.33 ↓
Egg (4 pcs)	Tk 40-Tk 45	-11.46 ↓	14.86 ↑

SOURCE: TCB

Mohammad Ali, managing director and CEO of Pubali Bank Limited, Mohammad Esha, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, Md Shahnewaz Khan and Mohammad Anisuzzaman, deputy managing directors, and Md Faizul Hoque Sharif, general manager of general banking and operation division, were present at a "Branch Operation Managers' Conference-2023" of Dhaka North, Dhaka Central, Dhaka South, Gazipur and Narayanganj regions and corporate branches of Dhaka at the bank's head office yesterday.

PHOTO: PUBALI BANK LIMITED

Ali Ahmmed, chief commercial officer of bKash, at its head office in Dhaka recently handed over diamond pendants to family members of 28 expatriates who had won them on sending the highest amounts of remittance through the mobile financial service provider during a campaign run last month to encourage use of legal channels for money transfers.

PHOTO: BKASH

Zara owner Inditex posts record profit

AFP, *Madrid*

Zara owner Inditex, the world's biggest fashion retailer, reported record profits for 2022 despite halting operations in Russia and soaring global inflation.

Net profit reached 4.1 billion euros ($4.4 billion) last year, a 27 percent jump from 2021, said Inditex, whose eight brands include younger fashion chain Pull&Bear and upmarket label Massimo Dutti.

In-store and online sales for the world's biggest fast fashion retailer also hit a record, surging 17 percent to 32.6 billion euros.

"The excellent results of 2022 show the strength of our business model," said Inditex chief executive Oscar Garcia Maceiras.

Inditex, like many other Western companies, closed shop in Russia last year following the invasion of Ukraine and sweeping Western sanctions against Moscow.

The group shut its 514 stores in Russia, its second biggest market after Spain.

The shops were sold to Emirati group Daher, which has business interests in retail and real estate, in October.

/- Growth opportunities -/Inditex said strong sales in other markets such as the United States -- now its second largest market -- as well as online made up for its exit from the Russian market.

The company said it plans to undertake "at least" 30 new projects in the United States between 2023 and 2025 in cities such as Boston, Chicago, Los Angeles and New York.

The projects include enlargements of existing stores, opening new stores and relocations.

"We see significant long-term growth opportunities in the United States," the company said.

Cepa could be a game-changer

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"But there are scopes to expand the bilateral trade to a minimum of $20 billion by addressing non-tariff barriers and connectivity-related challenges," said Md Sameer Sattar, president of the DCCI.

Referring to a World Bank report, he said seamless transport connectivity has the potential to increase national income by 17 per cent in Bangladesh and 8 per cent in India.

"Connectivity improvement between the northeastern region of India and Bangladesh is essential to supporting the regional market and improving our trade with India."

Mashiur Rahman, economic adviser to the prime minister, said in terms of export and import, Bangladesh may think of using local currencies for its bilateral trade.

He said the investment environment in Bangladesh is very friendly, so more Indian companies should invest in the country.

"In terms of railway connectivity, a few development projects such as the construction of the Bangabandhu railway bridge are underway and these will create an ample opportunity for bilateral trade."

He also called for reconsidering the issue of the anti-dumping duty imposed on the raw jute export from Bangladesh.

The adviser underscored the importance of seamless transhipment of Bangladeshi products through India and said an easy visa process was needed for smooth communication of businessmen of both countries.

According to a presentation made by the officials from the high commission, 40 per cent of trade between the two countries takes place through land ports. Of which, 70 per cent is happening via the Benapole-Petrapole land port.

In the last five years, the bilateral trade has doubled and Bangladesh's export to India has doubled in the last three years, said the officials, underscoring developing inland waterways and coastal shipping, air and railway connectivity, according to the press release.

The northeastern region of India is the potential for Bangladesh to do more business and India's access to the Mongla and Chattogram ports is beneficial for both countries, the presentation said, adding that after the completion of the India-Bangladesh pipeline, one million tonnes of diesel can be transported to Bangladesh annually.

Price of MS rod

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With this backdrop, manufacturers have decided to increase prices as a part of commercial adjustments.

"Around 90 per cent of the scrap steel used is imported. So, production costs have grown in line with the higher US dollar price and recent hikes in fuel and energy prices," Sengupta said.

Besides, the price of scrap steel recently increased to $70 from $60 per tonne in the international market.

The US dollar has gained around 22 per cent in value against the local currency over the past seven months. As such, steel makers are having to settle letters of credit (LCs) at Tk 112 per US dollar to import raw materials.

Under these circumstances, they are facing difficulties in opening LCs, which his hampering business by preventing factories from running at full capacity, he added.