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BUSINESS





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Tax collection growth slows further

STAR BUSINESS REPORT

The National Board of Revenue (NBR) registered a further slowdown in the growth of tax collection, making it harder for the agency to achieve its target for the current fiscal year of 2022-23 ending in June.

The NBR collected Tk 196,037 crore in the July-February period of the current fiscal year, up nearly 9 per cent year-on-year, according to provisional data by the NBR.


During the same period of the last fiscal year, tax collection growth was 16.4 per cent.

With the collection, the NBR could attain 53 per cent of its target in eight months of the fiscal year beginning from July.


So, taxmen will have to collect 47 per cent, or nearly Tk 174,000 crore, in the remaining four months to attain the revenue collection target of Tk 370,000 crore for

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BY THE NUMBERS




Total demand for API: Tk **13,000cr** (\$1.3 billion)



Local production: Tk **2,000cr**




API manufacturers: **15**




Imported API: **85%**

PROSPECTS




API production will help raise competitiveness globally




API production to offset post-LDC challenges

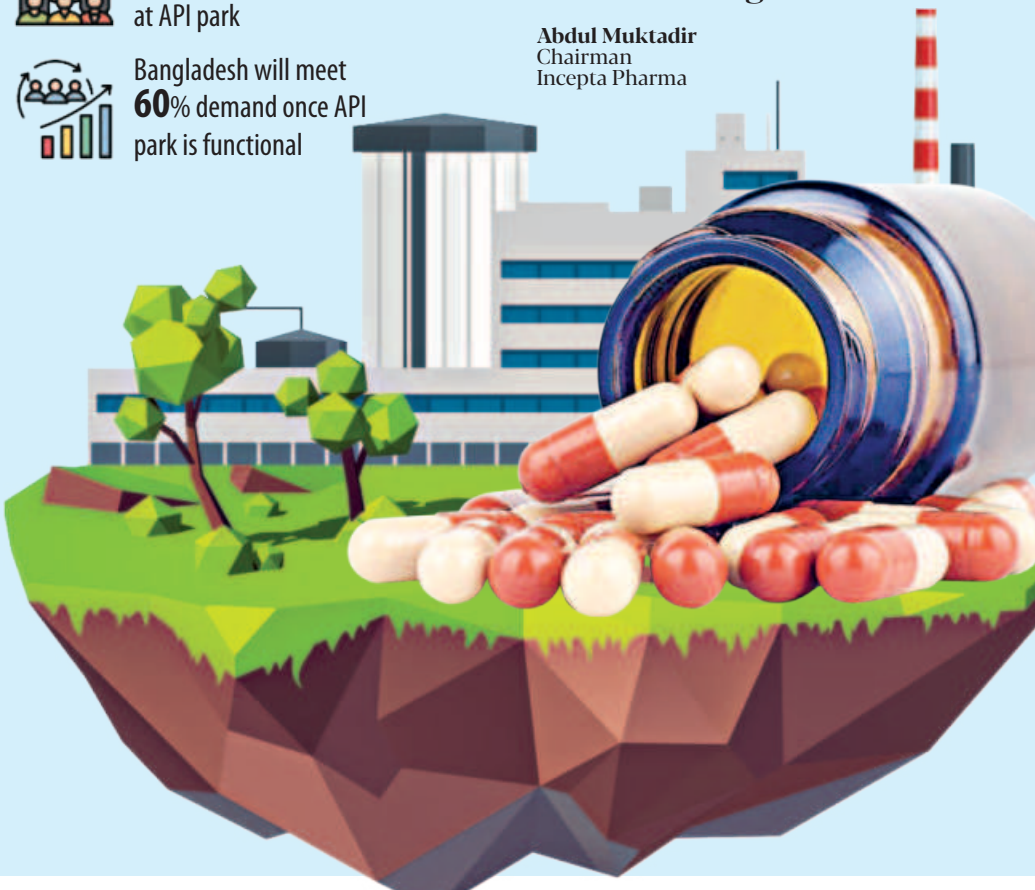
API PARK



**27** companies took plot for API facilities at API park



Bangladesh will meet **60%** demand once API park is functional



The pharma sector of Bangladesh will not face severe challenges in the post-LDC era as we are building capacity of manufacturing API.

Abdul Muktadir  
Chairman  
Incepta Pharma

Govt asks millers to cut sugar price by Tk 5 a kg

STAR BUSINESS REPORT

The commerce ministry yesterday asked millers and refiners to reduce sugar price by Tk 5 per kilogramme at the retail level three weeks after the revenue authority reduced import duty for raw and refined sugar in a bid to bring down the prices of the sweetener.

Though the government had fixed the rates of loose and packaged sugar at Tk 107 and Tk 112 respectively on February 1, traders in Dhaka's markets yesterday were charging Tk 115 to Tk 120, according to the Trading Corporation of Bangladesh (TCB).

Sugar imported following the duty cut are yet to hit the markets, said Commerce Minister Tipu Munshi at a press briefing after a meeting of a taskforce on essentials' prices and market situation.

The tariff withdrawal translates to a reduction of Tk 4.5 per kg at retail, he said.

Chairing the meeting at the ministry, Senior

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Local production of pharma raw materials gaining traction

JAGARAN CHAKMA

Pharmaceutical companies are gradually enhancing their capacity to produce the raw materials needed to make medicines, which will go on to reduce Bangladesh's over-reliance on imports and augment the country's competitive edge in the global market.

In the last 12 years, the value of active pharmaceutical ingredients (APIs) made in the country grew four times to more than Tk 2,000 crore thanks to the entry of more firms in the segment in recent years. It was about Tk 500 crore in 2010.

"The pharmaceuticals sector will not face severe challenges after the graduation of Bangladesh from the group of the least-developed countries in 2026 as we are building our capacity of making APIs," said Abdul Muktadir, chairman and managing director of Incepta Pharmaceuticals.

Currently, 15 firms, including Eskayef, Square, Beacon and

Beximco, produce APIs, up from 10 a couple of years ago, said SM Shafiuzzaman, secretary general of the Bangladesh Association of Pharmaceutical Industries, which represents 265 domestic drug-makers.

Local companies meet 10 per cent to 15 per cent of the annual demand for APIs, according to Monjurul Alam, director for global business development at Beacon Pharmaceuticals.

"We have a vast opportunity to invest in API manufacturing. This will allow the sector to compete in the global market."

He believes if APIs are produced in sufficient quantities,

pharmaceutical companies will be able to buy them immediately. "This will reduce the lead time."

A significant development in API production will provide a huge gain to the pharmaceuticals industry in a country where 97 per cent of the demand for medicines is met through local manufacturing.

Although API production has not grown in keeping with the pharmaceutical sector, local companies produce high-quality raw materials, albeit on a limited scale, helping the drug industry add value to their products.

And Shafiuzzaman thinks Bangladesh would not be able

to manufacture 100 per cent of the required APIs due to patent issues.

Currently, Bangladesh has to depend on imports to meet around 85 per cent of requirements for APIs. This costs the country about \$1.3 billion annually.

The country has made major progress in completing the construction of the API Industrial Park in Gazaria of Munshiganj.

Syed Shahidul Islam, the immediate past project director of the park, said the physical development work of the initiative has been completed and 27 companies have been handed over plots for setting up factories.

Acme Laboratories, UniMed UniHealth Pharmaceuticals, Healthcare Pharmaceuticals, and Ibn Sina Pharmaceutical Industry have already set up their plants. Of them, Healthcare Pharmaceuticals is about to begin trial production.

"We are ready for commissioning," said

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UNPAID EDF LOANS BB to impose 4% penal interest on banks

STAR BUSINESS REPORT

The central bank has decided to impose a 4 per cent penal interest on the banks' unpaid amount of loans made from its Export Development Fund (EDF).

In 2017, the Bangladesh Bank issued rules on the procedures and realisation of principal and accrued interest on EDF loans.

If the loans and interests are not repaid within the deadline, the BB can debit the overdue amount from the foreign currency clearing accounts that authorised dealer banks maintain with the Bangladesh Bank.

In a circular yesterday, the BB said it is observed that EDF loans are not being realised in accordance with instructions.

In view of the situation, it has been decided that a 4 per cent penal interest, or compensation in the case of Shariah-based banking, will be charged per annum above the prevailing interest rate on the overdue amount of EDF loans for the delayed period.

Currently, the volume of the EDF is \$6 billion and the interest rate on the loans given from the fund is 4.5 per cent

The BB asked ADs to submit a debit authority for realising the principal and accrued interest, including penal interest, at the time of application for the EDF loan.

A debit authority gives an individual or company permission to take funds directly from someone's bank account.

Established in 1989, the EDF facilitates access to financing in foreign exchange for input procurement by manufacturer-exporters. Banks can borrow US dollar funds from the EDF against their foreign currency loans to manufacturer-exporters.

Currently, the volume of the EDF is \$6 billion and the interest rate on the loans made from the fund is 4.5 per cent.

The central bank move will give some comfort to banks since the cost of funds is going up. Banks would pass the penal interest onto customers, said a senior banker.

"The cost of deposits has increased. It has sent the cost of funds for banks higher."

The banker admitted that some loans related to the EDF are being deferred.

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STOCKS			
	DSEX ▼	CASPI ▼	
	0.20%	0.15%	
	6,207.32	18,323.82	

COMMODITIES			
	Gold ▲	Oil ▼	AS OF FRIDAY
	\$1,988.11	\$66.29	
	(per ounce)	(per barrel)	

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.62%	▲ 1.20%	▲ 0.88%	▲ 0.73%
	57,989.90	27,333.79	3,183.28	3,250.55

While garment exports from Bangladesh are seeing growth, earnings from the sector are still limited to the top 10 apparel items. And with 75 per cent of the local industry still focused on making cotton-based clothing, it is seriously falling behind in terms of product diversity.

67% RMG export earnings come from 10 items

REEFAYET ULLAH MIRDHA

About 68 per cent of Bangladesh's annual export earnings from apparels is still confined to just 10 items, indicating that product diversification in the industry is yet to reach expected levels even after a journey of four and a-half decades.

The 10 most exported apparel items accounted for \$30.94 billion of the country's \$45.70 billion earnings from the industry last year, according to data from the Export Promotion Bureau compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

As always, knitted cotton T-shirts saw the highest exports in 2022, registering earnings of \$8.93 billion with roughly 26 per cent year-on-year growth.

This means that T-shirts contributed some 20 per cent of the total apparel exports that year, when Bangladesh captured 23 per cent of global trade in the sector, the data shows.

Men's woven trousers were the second highest earner, registering about 23 per cent year-on-year growth to hit \$5.94 billion with a 13 per cent share of the total apparel exports. Locally made men's trousers, including child sizes, hold a 21 per cent stake in the global market.

Women's trousers were the third largest export item, earning \$3.63 billion with year-

on-year growth of 19.10 per cent. The sector has a global market share of around 16 per cent.

Meanwhile, cotton jerseys and pullovers placed fourth in terms of earnings while those made of manmade fibre stood at fifth.

Men's cotton woven came next at sixth, women's cotton knitted trousers seventh, synthetic woven trousers eighth, men's cotton knitted shirts ninth and men's cotton knitted trousers was the tenth most exported apparel item in 2022.

The 10 most exported apparel items accounted for \$30.94 billion of the country's \$45.70 billion earnings from the industry last year

Bangladesh's share in the global market for these 10 items was about 15 per cent of the \$160.43 billion registered that year. At the same time, the country grabbed an 8 per cent share of the overall global apparel market valued at \$431.94 billion.

Among these top 10 garment items, only 12 per cent of the export earnings in 2022 came from non-cotton apparels while cotton-based apparels made up the rest, said BGMEA President Faruque Hassan.

"Although we have experience and a

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## Tourism job fair begins in Dhaka

STAR BUSINESS DESK

A two-day career fair centring the travel and tourism sector began at Pan Pacific Sonargaon Dhaka in the capital yesterday, open from 10:00am to 8:00pm.

Air Vice Marshal M Mafidur Rahman, chairman of the Civil Aviation Authority of Bangladesh, inaugurated the fair organised by aviation and tourism publication The Bangladesh Monitor, said a press release.

A total of 46 organisations representing airlines, hotels, travel agencies, tour operators, educational institutions and software companies are participating in the fair.

Air Vice Marshal ASM Fakhrul Islam, vice-chancellor of the Bangabandhu Sheikh Mujibur Rahman Aviation and Aerospace University, Md Rashidul Islam, head of operations of Technonext, and Kazi Wahidul Alam, editor of The Bangladesh Monitor, were present.

## United Insurance clocks 6% higher profit

STAR BUSINESS REPORT

United Insurance Company Ltd registered a 6 per cent year-on-year growth in profit to Tk 7.79 crore last year, thanks to higher premium collections and interest incomes.

Its profit stood at Tk 7.34 crore in 2021, according to a disclosure on the Dhaka Stock Exchange.

The company reported earnings per share of Tk 1.75 for the year that ended on December 31, which was Tk 1.65 in 2021.

Net asset value per share decreased to Tk 32.68 in 2022 from Tk 36.45 in 2021 whereas the net operating cash flow per share (NOCFPS) fell to Tk 0.69 from Tk 2.49.

The NOCFPS decreased due to higher claim and reinsurance premium payments while the NAVPS declined because of a decline in the fair value of investments in shares of United Finance Ltd.



Women in the countryside are usually the ones who weave a unique mat, known as “shital pati” in Bangla, characterised by its ability to naturally stay cool. Five to 10 days are needed to make a medium sized mat using stalks of the murta, a reed-like plant locally known as “paitra”. Demand for the mat peaks during summer when it sells anywhere from Tk 800 to Tk 3,000. The photo was taken at Helencha village in Barishal’s Bakerganj upazila yesterday.

PHOTO: TITU DAS

# Stocks return to red after a day

Investors face a lack of clear direction

STAR BUSINESS REPORT

The indices of the Dhaka Stock Exchange (DSE) returned to the red yesterday after a day’s gain.

The DSEX, the benchmark index of the top bourse in Bangladesh, lost 12 points, or 0.20 per cent, to 6,207.

The DS30, the blue chip index, decreased 0.04 per cent to 2,217 while the DSES, the shariah-compliant index, went down 0.29 per cent to 1,352.

The Dhaka stocks slipped into the red as investors mostly followed a cautious stance amid a lack of clear direction, said International Leasing Securities in its daily market review.

Following the previous session’s upsurge, the market had started the day on an optimistic note and the core index remained in the positive territory till the mid-session.

But, during the rest of the session the

index went down steadily amid the lack of any positive trigger, it added.

Turnover, a key indicator of the market, fell 6.4 per cent to Tk 452 crore.

Of the securities, 19 advanced, 85 declined and 213 did not show any price movement.

Rangpur Dairy & Food Products made the highest gain with an increase of 4.1 per cent.

Stocks from all the major sectors experienced notable selling pressure which has laid down the DSEX by 12.91 points. All the sectors witnessed price correction except food that rose 0.3 per cent, and bank increased 0.1 per cent, whereas IT dropped 3.5 per cent, services fell 1.6 per cent and life insurance declined 1.3 per cent.

The investors’ concentration was mainly focused on pharmaceuticals (19.2 per cent), life insurance (15 per cent) and IT (13.1 per cent) sectors.

Unilever Consumer Care, Meghna Pet Industries, Fine Foods, and Zeal Bangla Sugar

Mills were among the top gainers.

Bengal Windsor Thermoplastics was the highest loser, shedding 9.9 per cent.

Rupali Life Insurance Company, Meghna Life Insurance, IFIL Islamic Mutual Fund-1, and Metro Spinning were also on the list of the significant losers.

Rupali Life Insurance Company was the most-traded stock with its issues worth Tk 29 crore changing hands.

Sea Pearl Beach Resort & Spa, Sonali Paper & Board Mills, Rangpur Dairy & Food Products, and Orion Pharma also registered significant turnover.

Meanwhile, Caspi, the all-share price index of the Chittagong Stock Exchange, dropped 28 points, or 0.15 per cent, to close at 18,323.

Of the issues, 10 rose, 45 retreated and 76 did not see any price swing.

However, the turnover of the port city bourse surged more than 60 per cent to Tk 23.44 crore.

## Crop protection assoc reelects chairman, secy gen



M Sayeduzzaman



Md Moazzem Hossain

STAR BUSINESS DESK

Bangladesh Crop Protection Association (BCPA) recently reelected its chairman and secretary general.

The election was held at PSC Convention Hall in Dhaka on Saturday and MA Momin Mazumder, chairman of the BCPA’s election board, announced names of the newly elected office bearers, said a press release.

Of the two officials respectively, M Sayeduzzaman is the chairman of Mimpe Agrochemicals Limited while Md Moazzem Hossain Palash secretary general of Assign Crop Care Limited.

Other executive committee members Md Manzurul Huda, Kbd Md Reaz Uddin Ahmed, Kbd SM Khaled, Kbd Md Serazul Islam, Md Mahbubur Rahman Gazi and Aatur Rahman Khan, AHM Sadrul Alam, Md Abdul Alim, Rihanul Anam and Kbd Md Sohelur Rahman.

## Southeast Bank wins Wasa award

STAR BUSINESS DESK

Southeast Bank Limited won a “Dhaka Wasa Bill Collection Award” for financial year 2021-22.

Nuruddin Md Sadeque Hussain, managing director (current charge) of the bank, received the award from Md Tazul Islam, minister for local government, rural development and cooperatives, in a programme at Pan Pacific Sonargaon Dhaka last week, said a press release.

Taqsem A Khan, managing director of Dhaka WASA, was present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 19, 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	-2.59 ↓	50.67 ↑
Lentil (kg)	Tk 95-Tk 100	0	-4.88 ↓
Soybean (litre)	Tk 168-Tk 172	0	0
Potato (kg)	Tk 16-Tk 20	-14.29 ↓	-10 ↓
Onion (kg)	Tk 30-Tk 40	7.69 ↑	-17.65 ↓
Egg (4 pcs)	Tk 42-Tk 45	-10.31 ↓	17.57 ↑

SOURCE: TCB



Md Afzal Karim, managing director of Sonali Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank, at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a “Green Transformation Fund” of the central bank.

PHOTO: SONALI BANK



Ali Reza Iftekhar, managing director of Eastern Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Green Transformation Fund of the central bank.

PHOTO: EASTERN BANK



Anwar-ul Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries (BCI), and NG Khaitan, president of the Bharat Chamber of Commerce, exchanged signed documents of a memorandum of understanding at the former's office in Dhaka yesterday over expanding bilateral trade.

PHOTO: BCI

## Govt asks millers to cut sugar price by Tk 5 a kg

FROM PAGE B1

Commerce Secretary Tapan Kanti Ghosh acknowledged the TCB rates.

The National Board of Revenue (NBR) through a notification on February 26 reduced a regulatory duty on the import from 30 per cent to 25 per cent.

Moreover, it withdrew a specific duty of Tk 3,000 per tonne on the import of raw sugar and Tk 6,000 on refined sugar with immediate effect.

The reductions, following a commerce ministry proposal to bring down prices from the current record level of Tk 120, will remain in effect until May 30.

Overall import cost of raw and refined sugar is expected to decline by Tk 6,500 and Tk 9,000 per tonne respectively, according to an NBR estimate.

Officials of different ministries, government agencies, departments, importers, millers, refiners, wholesalers and trade body leaders at yesterday’s meeting discussed prices, stocks, import scenario and market monitoring issues before upcoming Ramadan.

The talks included the supply situation

of some other basic commodities like edible oil, lentil and onion.

Although prices of some essential items had decreased in international markets, the foreign currency exchange rate had gone up alongside gas and electricity prices and transportation costs, said Ghosh.

The state-owned TCB will sell some basic commodities at a reduced price twice to its one crore cardholder families during Ramadan whereas in the rest of the year it usually does it once a month, said Munshi.

Annually the TCB needs Tk 9,800 crore to purchase essential commodities meant for sale to consumers with low incomes at a 50 per cent discount, he said.

The minister also said he would sit with the fisheries and livestock minister soon to consult on bringing down soaring poultry prices.

As in every other year, the minister and senior secretary assured that prices of basic commodities would not go up and there would not be any crisis in the markets as there were substantial supplies and stocks.



Mohammad Ali, managing director of Pubali Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank, at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore “Green Transformation Fund” of the BB.

PHOTO: PUBALI BANK



Md Quamrul Islam Chowdhury, managing director of Mercantile Bank, exchanged documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh bank, at BB headquarters over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore “Green Transformation Fund” of the central bank.

PHOTO: MERCANTILE BANK



Shabbir Ahmed, deputy managing director of Al-Arafah Islami Bank, exchanged documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank at BB headquarters last week over disbursing loans for export-oriented and production-based industries from a BB “Green Transformation Fund”.

PHOTO: AL-ARAFAH ISLAMI BANK



## Iraq in final stages of talks on \$27b TotalEnergies agreement

REUTERS

Talks between French oil major TotalEnergies and Iraq to resolve sticking points in a long delayed \$27 billion energy deal "have reached advanced stages", Iraqi oil minister Hayan Abdel-Ghani said on Sunday.

"We will activate the deal very soon," Abdel-Ghani said at an energy event.

The proposed deal, which Baghdad hopes will revive foreign investment in the country, was signed in 2021 for TotalEnergies to build four oil, gas and renewables projects with an initial investment of \$10 billion in southern Iraq over 25 years.

However, disputes between Iraqi politicians over the terms of the deal.

Iraq's demand for a 40 per cent share in the project is a key sticking point while TotalEnergies wants a majority stake, sources told Reuters.

Asked if the issue of Iraq's share in the project was resolved, Abdel-Ghani said: "It's not the time to discuss the shares and we will announce them when an agreement is reached."

Abdel-Ghani also said that Iraq is committed to maintaining its 220,000 barrel per day (bpd) oil output cut in line with its quota under the latest Opec+ agreement.

The country is also ready to increase production if required to do so by producer group Opec+.

"We obliged some oil companies operating in the south to cut production to come in line with Opec+'s agreed rates," he added.

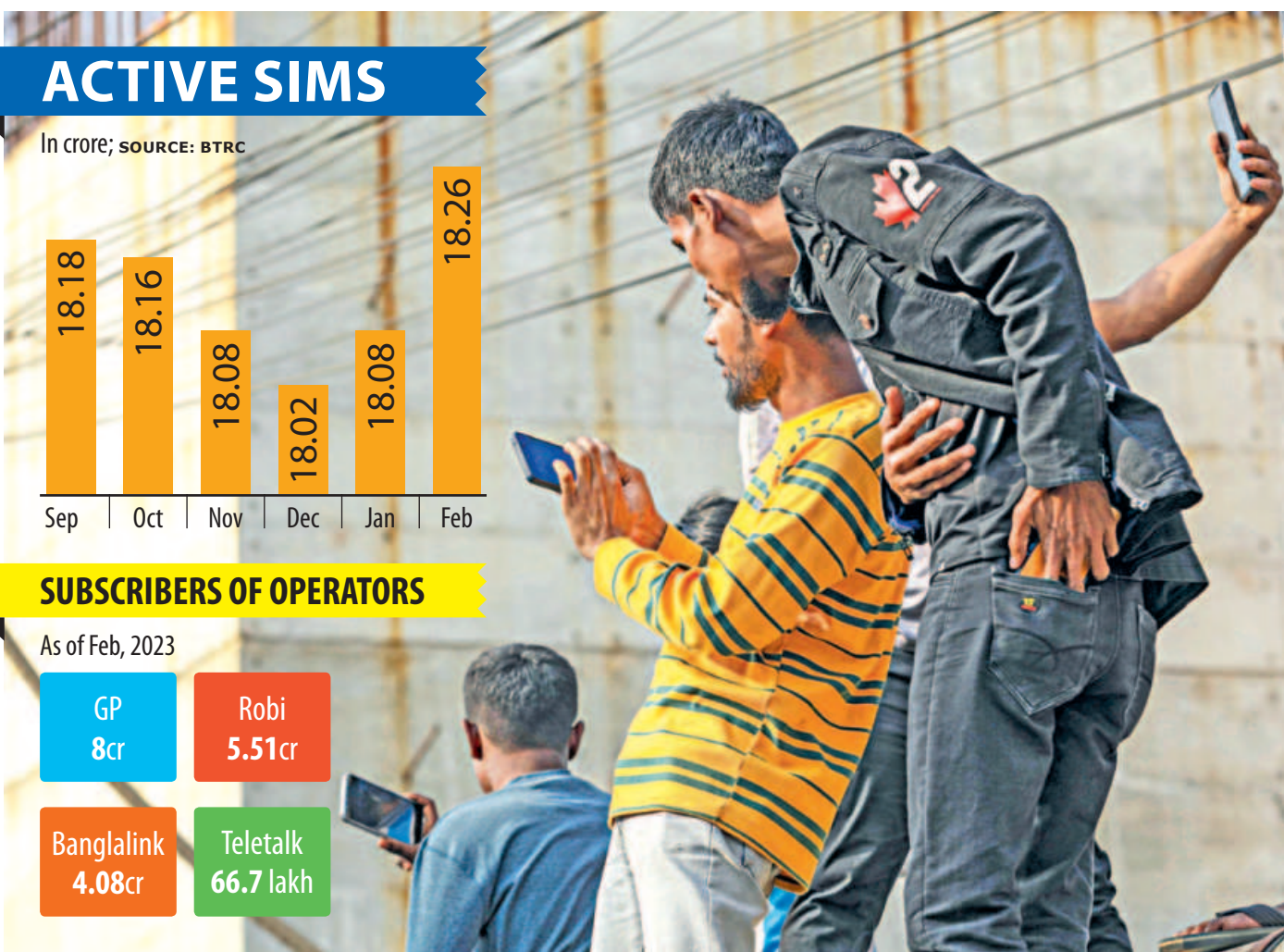
## UK to help Kazakh exports bypass Russia

REUTERS, Astana

Britain will help Kazakhstan develop export routes bypassing Russia, British Foreign Minister James Cleverly said on a visit to the Central Asian nation on Saturday, when he also signed a memorandum on supplies of critical minerals.

Cleverly said London valued the position of Astana -- which has traditionally been closely allied with Moscow -- on the Ukrainian conflict. Kazakhstan has refused to support Russia's invasion or recognise its annexation of Ukrainian territories.

"The UK greatly appreciates Kazakhstan's consistent and principled position in supporting Ukraine's territorial integrity and your desire to bring about resolution to the war in line with the UN charter," he told a briefing.



# Mobile subscriber numbers up in Feb

MAHMUDUL HASAN

The number of mobile subscribers in Bangladesh continued to grow for a second month in February on earlier falling for several months, with all but Teletalk displaying a solid performance.

The operators gained about 18 lakh customers in February, taking the total to 18.26 crore, according to Bangladesh Telecommunication Regulatory Commission (BTRC).

The robust growth is expected to give a breath of fresh air to the country's telecom sector as operators lost about 3.5 million customers in the latter half of last year.

Third-placed operator Banglalink continued to be the top performer in customer acquisition securing 7.1 lakh new customers while Grameenphone added 5.8 lakh and Robi Axiata 5.3 lakh.

Banglalink, which crossed a milestone of four crore subscribers in January, had 4.08 crore customers at the end of February.

On a year-on-year basis, the number of customers of the operator grew by 8.35 per cent, the highest among the operators, in February.

"We attribute this uptick in customer preferences to our ongoing investment in network expansion, enabling our customers to experience Ookla certified fastest 4G while utilising our innovative and quality digital services," said Taimur Rahman, chief corporate and regulatory affairs officer.

As per Ookla's Speedtest Intelligence report, Banglalink delivered the fastest average download speed among the top local mobile network operators with 19 Mbps in the fourth quarter of 2022.

It recently completed the deployment of 4,000 base transceiver stations, taking its total to more than 14,500. The expansion resulted in a roughly 40 per cent expansion of Banglalink's total coverage.

With 5.8 lakh new customers in February, top operator Grameenphone took its total number of customers to almost 8 crore.

Although it failed to attract a large pool of customers after a sales ban on its SIMs was lifted in early January, the good performance in January is a sign of relief for the operator.

Earlier on June 29, the telecom regulator banned Grameenphone's SIM

sales until it "improves its quality of service, including bringing down the call drop rate". The ban was eventually lifted on January 2.

During the six-month ban period, it lost almost 5 million customers, taking a toll in the country's total mobile subscriber base and undermining the government's digital connectivity ambition.

Khairul Basher, head of communications at Grameenphone, attributed the gain to its drive towards connecting towers via optical fibre cables, saying it delivers customers with more quality services.

According to him, its optical fibre connectivity was at over 35 per cent, up from 17 per cent a year ago.

With new 5.3 lakh customers, second largest operator Robi's subscriber numbers stood at 5.51 lakh in February.

"In last of couple of months, we have optimised our network capacity as well as redesigned spectrum allocation for enhancing quality of services," Shahed Alam, chief corporate and regulatory officer at Robi Axiata Ltd.

State-owned Teletalk lost about 10,000 customers in February, taking its customer numbers to 66.7 lakh.

## Bank panic raises specter of 2008

REUTERS, Washington

The lightning speed at which the banking industry descended into turmoil has shaken global markets and governments, reviving eerie memories of the financial crisis. Like 2008, the effects may be long lasting.

In the space of a week, two US banks have collapsed, Credit Suisse Group AG needed a lifeline from the Swiss and America's biggest banks agreed to deposit \$30 billion in another ailing firm, First Republic Bank, in a bid to boost confidence.

Evoking recollections of the frenzied weekend deals to rescue banks in the 2008 financial crisis, the turmoil prompted monumental action from the US Federal Reserve, US Treasury and the private sector. Similar to 2008, the initial panic does not seem to have been quelled.

"It does not make any sense after the actions of the FDIC and the Fed and the Treasury (last) Sunday, that people are still worried about their banks," said Randal Quarles, the former top banking regulator at the Federal Reserve. He now faces renewed criticism over his agenda at the Fed, where he oversaw efforts to reduce regulations on regional banks.

"In an earlier world, it would have calmed things by now," Quarles said.

The collapse of Silicon Valley Bank, which held a high number of uninsured deposits beyond the \$250,000 Federal Deposit Insurance Corporation (FDIC) guaranteed limit, shook confidence and prompted customers to withdraw their money. U.S. bank customers have flooded banking giants, including JPMorgan Chase & Co (JPM.N), Bank of America Corp and Citigroup Inc (C.N) with deposits. That has led to a crisis of confidence and steep selloff in smaller banks.



"We do a lot of contingency planning," said Stephen Steinour, chief executive of Huntington Bancshares Inc (HBAN.O), a lender based in Columbus Ohio. "We started to do the 'what if scenario' and looked at our playbooks."

As banks grapple with short-term shocks, they are also assessing the long term.

The swift and dramatic events have fundamentally changed the landscape for banks. Now, big banks may get bigger, smaller banks may strain to keep up and more regional lenders may shut. Meanwhile, US regulators will look to increase scrutiny on midsize firms bearing the brunt of the stress.

US regional banks are expected to pay higher rates to depositors to keep them from switching to larger lenders, leaving them with higher funding costs.

"People are actually moving their money around, all these banks are going to look fundamentally different in three months, six months," said Keith Noreika, vice president of Patomak Global Partners and a former Republican Comptroller of the Currency.

The current crisis may feel frighteningly familiar for those who experienced 2008, when regulators and bankers huddled in closed rooms for days to craft solutions.

## 67% RMG export earnings



FROM PAGE B1

good capacity for producing cotton-based apparels, we are still lagging behind in the non-cotton sector," he added.

Hassan went on to say that while only 25 per cent of the textiles consumed worldwide are made of cotton, 75 per cent of Bangladesh's garment industry is concentrated on making cotton clothes.

"So, huge opportunities await but we have a capacity shortage when it comes to making high-end garments such as sportswear, lingerie and outerwear," he said.

"To increase Bangladesh's hold on the global non-cotton apparel market, we need to increase efficiency and technical know-how in the industry," the BGMEA chief added.

Hassan then said more investments are needed in backward linkage industries while the environmental aspect of industrial production should be kept in mind.

During the first two months of 2023, garment exports from Bangladesh grew by some 10 per cent year-on-year.

A significant part of the growth was contributed by shipments to the European Union (EU), the largest export destination for Bangladesh.

Exports to the EU amounted to \$4.22 billion during the January-February period, registering year-on-year growth of 8 per cent.

However, Bangladesh saw negative growth in exports to eight of the 27 countries in the EU, namely Germany, Austria, Bulgaria, Denmark, Finland, Latvia, Malta, Poland and Slovenia, the data says.

During the two-month period, exports to Germany fell 12.37 per cent to \$1.17 billion. On the other hand, shipments to France and Spain grew by 14 per cent and 22 per cent to \$477.87 million and \$645.68 million respectively.

At the same time, exports to the

US fell roughly 14 per cent to \$1.33 billion from \$1.54 billion. Shipments to Canada also dropped by some 3 per cent to reach \$206.80 million.

However, exports to the UK saw 21.63 per cent year-on-year growth to stand at \$964 million during the first two months of the current calendar year.

Bangladesh's exports to non-traditional markets rose remarkably in the January-February period, showing year-on-year growth of 42.51 per cent to hit \$1.64 billion from \$1.15 billion.

Currently, the share of export earnings from clothing sent to non-traditional markets stands at 19.64 per cent. Japan is the top destination among major non-traditional markets, fetching \$321.12 million during the period.

Exports to other non-traditional markets such as Australia, India, South Korea, Turkey and the UAE are also rising but shipments to Russia, China, South Africa and Chile have declined, the data shows.

## Tax collection growth slows

FROM PAGE B1

the current fiscal, which is unlikely in view of the annual average growth of tax collection.

The NBR posted 12 per cent annual growth in tax collection in the last five years, according to its data.

During the current fiscal year, tax collection started slowing since September 2022 amid falling customs tariff and direct taxes following import tightening by Bangladesh Bank, and reduced profits of firms.

In the July-February period, collection of tariffs from imports and exports grew only 4 per cent year-on-year to Tk 59,198 crore.

Taxmen logged 6 per cent growth in income tax collection to Tk 60,437 crore in the eight months ending in February compared to Tk 56,860 crore for the same period a year ago.

Only value added tax (VAT) collectors could post double digit growth.

Revenue officials collected Tk 76,400 crore as VAT, the indirect tax paid by consumers while purchasing goods and services, in the July-February period of fiscal 2022-23, up 15 per cent from a year ago.

## BB to impose 4% penal interest

FROM PAGE B1

Speaking to The Daily Star, a central banker said: "The volume of overdue EDF loans is rising. So, we have moved so that these loans become regular."

The BB notice comes at a time when Bangladesh's foreign currency reserves continue to face immense pressure because of the volatility in the foreign exchange regime caused by the Russia-Ukraine war.

Owing to higher import bills against moderate export receipts and lower remittance inflow, the reserves slipped to a six-year low of \$31.15 billion earlier this month. This means the reserves have fallen by about 30 per cent from the \$44.14 billion recorded in March last year.

## Afghan female entrepreneurs seek out foreign markets

REUTERS, Kabul

Dozens of Afghan businesswomen took part in an exhibition in Dubai remotely this week to promote carpets, jewellery, dried fruit and other handmade goods as part of a push to access international markets after work options for women shrank in Afghanistan under the Taliban administration.

The three-day exhibition, held at a hotel in Dubai and organised by the United Nations Development Programme and the Afghan Women's Chamber of Commerce and Industry (AWCCI), began on Thursday and includes 26 female-run businesses.

Due to visa and travel restrictions, most business owners joined via video link from the Afghan capital,

where they said some restrictions on women in public life as well as the country's struggling economy were hampering their businesses.

Rayhana Karim, from the AWCCI, said at the exhibition in Dubai that they were working to create a brand for products, labelling them "Made by Afghan Women", to reach consumers abroad wanting to support women's rights.

"The end-consumers in Europe, the United States and the UAE, they want to support Afghan women, we need to provide them with an opportunity," Karim told Reuters.

"You are supporting an Afghan woman when buying a quality product ... and you are enabling her to stand on her own two feet, to gain financial independence and to start to have a seat at the table."

## Local production of pharma

FROM PAGE B1

Md Halimuzzaman, chief executive officer of Healthcare Pharmaceuticals.

A central waste treatment plant has been set up in the park at a cost of Tk 100 crore and this is about to be commissioned.

In Bangladesh, companies are also raising their capacity to manufacture finished formulation, which includes both small molecule synthetic drugs and complex biologics and vaccines.

And Muktadir believes that the rising API production would help the pharmaceuticals sector grow its share in the global generic drug market, valued about \$400 billion.

Local companies export products to 157 countries in Asia, Africa, North America, South America and Europe.

Medicines exports rose more than 11 per cent year-on-year to \$188

million in 2021-22, data from the Export Promotion Bureau showed. The pharmaceuticals exports have grown almost three folds in the last seven years.

Pharma-makers also think that Bangladesh should focus on potential API markets across the world. The global market is estimated to reach \$216 billion in 2027.

"Diplomatic efforts should be initiated so that once API is available, Bangladesh can have a ready market," said Muktadir.

Beacon Pharmaceuticals' Alam said there was no need to worry about the challenges Bangladesh would face in the post-LDC era.

"This is because we have already introduced pharma products in the local market and these products should be considered as prior art."

Prior art is any evidence that one's invention is already known.





Cassava cultivation is catching on in hilly areas of Bangladesh for being relatively inexpensive to farm while offering ample returns. The highly nutritious root vegetable has applications in the pharmaceutical, garment and food processing industries. Here, workers are seen sorting freshly harvested cassava at a farm in Kulaura upazila of Moulvibazar.

PHOTO: MINTU DESHWARA

## Ukraine Black Sea grain deal renewed

REUTERS, Ankara/United Nations

A deal allowing the safe Black Sea export of Ukrainian grain was renewed on Saturday for at least 60 days - half the intended period - after Russia warned any further extension beyond mid-May would depend on the removal of some Western sanctions.

The pact was brokered with Russia and Ukraine by the United Nations and Turkey in July and renewed for a further 120 days in November. The aim was to combat a global food crisis that was fueled in part by Russia's February 24, 2022, invasion of Ukraine and Black Sea blockade.

The deal had been set to expire on Saturday.

The United Nations and Turkey said on Saturday that the deal had been extended but did not specify for how long. Ukraine said it had been extended for 120 days. But Russia's cooperation is needed, and Moscow only agreed to renew the pact for 60 days.

"The Black Sea Grain Initiative, alongside the Memorandum of Understanding on promoting Russian food products and fertilisers to the world markets, are critical for global food security, especially for developing countries," UN spokesman Stephane Dujarric said in a statement.

# Cassava cultivation catching on in hilly areas

MINTU DESHWARA

Cassava, known as shimul alu in Bangladesh, is a root vegetable widely consumed in many countries across the globe for its dietary benefits, which include healthy carbohydrates and vitamin C.

It is also a source of resistant starch, which is used by the food processing and garment industries. Keeping this in mind, farmers in Sylhet are increasingly cultivating cassava on a commercial basis.

In addition, cassava cultivation is putting hilly areas of the region to good use as the lands would have been otherwise vacant.

Cassava has been cultivated on 200 bighas of land in Kulaura upazila of Moulvibazar under the Kandal Crop Development Project of the Department of Agricultural Extension (DAE).

Farmers say yields have been good as soil and weather conditions are suitable in the region.

According to sources at the local DAE office, domestic cassava cultivation began in Kulaura upazila.

Cassava are harvested between December and February each year, some five to six months after cultivation.

Polit Bhar, a farmer of Joychondi village in Kulaura upazila, said 30 bighas of his 32-bigha field are being used to cultivate cassava under the DAE project.

Each bigha will yield up to 20 kilogrammes of cassava, earning him about Tk 6 lakh.

Bhar went on to say that the costs associated with cassava cultivation are very minimal as no extra care is needed after sowing.

Other than its root, the leaves of cassava plants can also be eaten as a vegetable, used as an organic fertiliser or animal feed, he said.

Md Abdul Hamid, a farmer of Jhumki Jhalai village in the same upazila, said he once considered cassava a wild plant but started growing the crop after getting to know its benefits from agriculture officials.

Locals other than farmers are benefitting too as cassava cultivation is slowly changing the region's economic landscape.

"I would find it hard to get work before but now, I can easily secure employment thanks to the expansion of cassava cultivation," said Monwara Begum, a day labourer.

Md Abdul Momin, agriculture officer of Kulaura upazila, said the DAE has been providing all kinds of support ever since cassava cultivation first came to the region.

And while cassava has considerable demand of 3.5 lakh tonnes in the country, only 2 per cent or roughly 6,000 tonnes is produced locally. As such, initiatives have been taken to expand cultivation and thereby reduce import dependence.

A total of 675 acres of land in Sylhet were used to grow 2,000 tonnes of cassava last year.

This year, the cultivation target is 900 acres, Momin added.

Kamruzzaman Kamal, director of marketing at PRAN-RFL Group, said cassava is a root vegetable grown on hilly, arid and relatively less fertile land.

Since 2014, PRAN has been encouraging farmers to grow cassava through contract farming. Subsistence farmers are also cultivating the crop thanks to the availability of training, financial incentives, agricultural

input support and low-cost seeds.

As a result, farmers based in hilly areas are becoming increasingly interested in cassava cultivation.

Ever since PRAN took the initiative to cultivate cassava in the country, about 2,000 farmers have been contracted by the leading food processor.

This year, cassava has been cultivated in the Rangamati, Khagrachari, Sylhet, Habiganj, Moulvibazar, Tangail, Mymensingh, Jamalpur, Comilla and Bramanbaria districts with the help of PRAN.

Farmers in these regions are now busy harvesting the crop while simultaneously planting seeds for the next season.

PRAN expects to get at least 20,000 tonnes of the crop from 6,000 bighas of land this year.

The company is also increasing the scope of cultivation to get higher yields next year. Overall cassava cultivation has been set at 8,000 bighas till March with yields of at least 25,000 tonnes expected.

After harvesting the crop, the starch is processed at the Habiganj Industrial Park. Glucose, barley, semolina, bread, noodles, crackers, cakes, bread, biscuits, chips and more can be made from this starch.

Cassava starch is widely used in the garment and pharmaceutical industries as well. PRAN usually uses 60 per cent of the starch at its bakery, confectionary, noodles, glucose units while the remaining 40 per cent is supplied to other industries.

Mokhesur Rahman, director of the Kandal Crop Development Project, said if people can change their eating patterns and develop balanced and nutritionally rich habits, areas of income will increase along with the treatment of complex diseases.

Local production of starch powder only meets 2 per cent of the demand while the rest is imported at a cost of about Tk 4,000 crore each year, he added.

## In praise of redundancy

DH CHOUDHURY

Redundancy in the corporate world, technology, business, or sports is commonplace. Although redundancy always conveys a negative connotation, it is inevitable. Then how can redundancy be praiseworthy? It all depends on how we look at it.

While reading a book named, "If Better is Possible", it occurred to me that redundancy is not how we commonly look at it. It has its own beauty and profundity.

The book was authored by John Marshall Buchanan, a former coach of the national cricket team of Australia. Buchanan believed that the role of a coach was to consistently challenge the players and the team with possibilities and drive them outside their comfort zone into the realms of uncertainty. And one day the coach makes himself redundant through his own scheme and that is his success. A coach teaches players to shake off "myself" and embrace "ourselves" as a motivating factor for victory. In the corporate world, an effective mentor or coach does the same thing.

Similarly, parents help a child take its first step. But after a while, the child is on its own and the parents get the first feel of redundancy. Parents never feel dejected, rather celebrate the child's success and their own redundancy.

Arduously applied, the concept equally works in the business and corporate world. Take the example of Jack Welch, CEO of General Electric from 1981 to 2001.

Welch would get GE's bottom 10 per cent of the executives as redundant every year and replace them with new candidates. He challenged the traditional management concept and inspired a new thought: "You do not manage people. Rather, you lead them".

In return, each employee becomes a leader in what he does and the manager becomes redundant.

Welch succeeded with his visionary ideas and turned GE's value from \$12 billion to \$280 billion in just 20 years. Welch outdid the conventional thought process of decision-making and literally made them redundant.

See how the US presidential election of 2012 emerged. President Barack Obama outperformed his opponent Mitt Romney by an astounding margin. Newsweek, in disbelief, wrote: "The Obama Conquest: Lucky General or Master of the Game?"

Karl Rove was Romney's election strategist. He applied the same strategy he used to lead George Bush to victory. He thought his strategy would work indefinitely. Rove was attacking Obama's strengths. President Obama did just the opposite. He attacked Romney's weaknesses. The result was a landslide victory.

Through the victory, President Obama proved Rove and Romney's strategy obsolete. Before doing that, Obama made redundant his own first-term election strategy against John McCain.

The point is many corporate leaders do the same blunder as Rove did. During my consultancy life, I have experienced corporate leaders stubbornly sticking to the ideas that once worked for them. But when the same strategy does not work the second or third time, the corporate leaders blame their teammates and the company instead.

Let me share a folklore that I fondly remember from my childhood days. An old man, his days numbered, invoked God and prayed for eternal life. The man was very pious and righteous, so God did not reject his prayer outright. Instead, God sent His angels to tell the man that if eternity is given, he will no longer hear the cry of a newborn and celebrate historical milestones such as birthdays or anniversaries. Humanity will cease to exist.

The man momentarily realised the purpose of creation that everything must conclude in order to create. Therefore, redundancy is a reminder that we must "end" in order to "begin".

The author is an independent director of Bank Asia Limited.



## RAMADAN ESSENTIALS

# High prices may cut demand by 20%

## Commerce ministry forecasts

STAR BUSINESS REPORT

The demand for essential commodities may fall 20 per cent year-on-year in the upcoming month of Ramadan thanks to the high prices of the items in the market, according to a paper by the commerce ministry.

The paper was presented at a meeting of the taskforce on prices of essentials and market situation yesterday.

Officials said industrial use of edible oil and sugar to make wheat-based foods such as biscuits and bread has already declined resulting from a slump in wheat imports.

Arrival of the grain by public and private companies stood at 21.58 lakh tonnes in the eight and a half months since July 1 this fiscal year, which is half of 40.12 lakh tonnes imported in 2021-22 fiscal year, according to food ministry data. The use of edible oil is expected to decline as import of wheat remained lower.

Bangladesh has a stock of 302,160 tonnes of edible oil and the amount is little higher than the Ramadan requirement of oil. Over 275,000 tonnes of edible oil are in the pipeline, according to the paper. However, the current stock of sugar with different companies is below the requirement of Ramadan.

The ministry estimated that the demand for sugar doubles to 300,000 tonnes during Ramadan from average monthly requirement of 150,000 tonnes.

The present stock of sugar is 225,560 tonnes. Nearly 600,000 tonnes of sugar are scheduled to reach Bangladesh, according to the paper that suggested taking steps to settle LCs of essentials on a priority basis.



Consumers may further cut back on their spending due to the high prices of essential commodities widely used in the upcoming fasting month of Ramadan, leading to a drop in the demand for those products.

PHOTO: STAR/FILE

## Bank Asia makes Tk 305cr profit in 2022

STAR BUSINESS REPORT

Bank Asia Ltd posted a 12 per cent year-on-year increase in profit to Tk 305.47 crore in the financial year that ended on December 31.

The profit stood at Tk 272.82 crore in 2021.

Thus, the private commercial bank reported consolidated earnings per share of Tk 2.62 in 2022 compared to Tk 2.34 in 2021.

The consolidated net asset value per share of Bank Asia rose to Tk 24.41 last financial year from Tk 23.33 in 2021 while the consolidated net operating cash flow per share slipped to Tk 13.82 from Tk 15.23 during the period.

The board of directors has recommended a 15 per cent cash dividend for 2022. Shares of Bank Asia rose 2.48 per cent to Tk 20.70 on the Dhaka Stock Exchange yesterday.