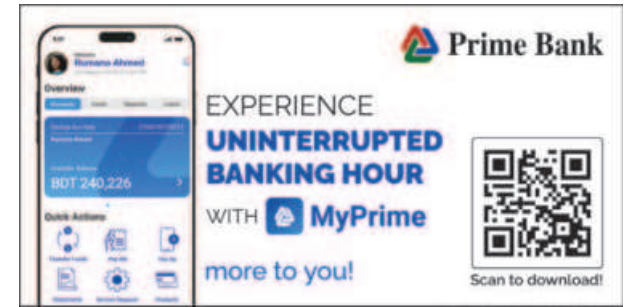


star BUSINESS



BSEC seeks foreign travel ban against Alliance Capital MD

STAR BUSINESS REPORT

The stock market regulator has requested the police to slap a foreign travel ban on Kh Asadul Islam, managing director of Alliance Capital Asset Management, as he has allegedly embezzled Tk 45 crore.

The Bangladesh Securities and Exchange Commission (BSEC) has sent a letter to Bangladesh Police to this effect.

It comes after the BSEC's inquiry committee found that Islam illegally transferred Tk 45.07 crore from the mutual funds under his management to the bank accounts of the asset management company and withdrew the funds either in cash or through bank transfers to unknown entities, the

BSEC's inquiry committee found that Islam illegally transferred Tk 45.07 crore from the mutual funds to the bank accounts of the asset management company

commission said in the letter.

The fund was transferred between July 1 of 2021 and December 31 of 2022.

"This was investors' money in the mutual funds and Islam engaged himself in the laundering of it," said the letter, which was sent to the additional inspector general of police (special branch) on March 28.

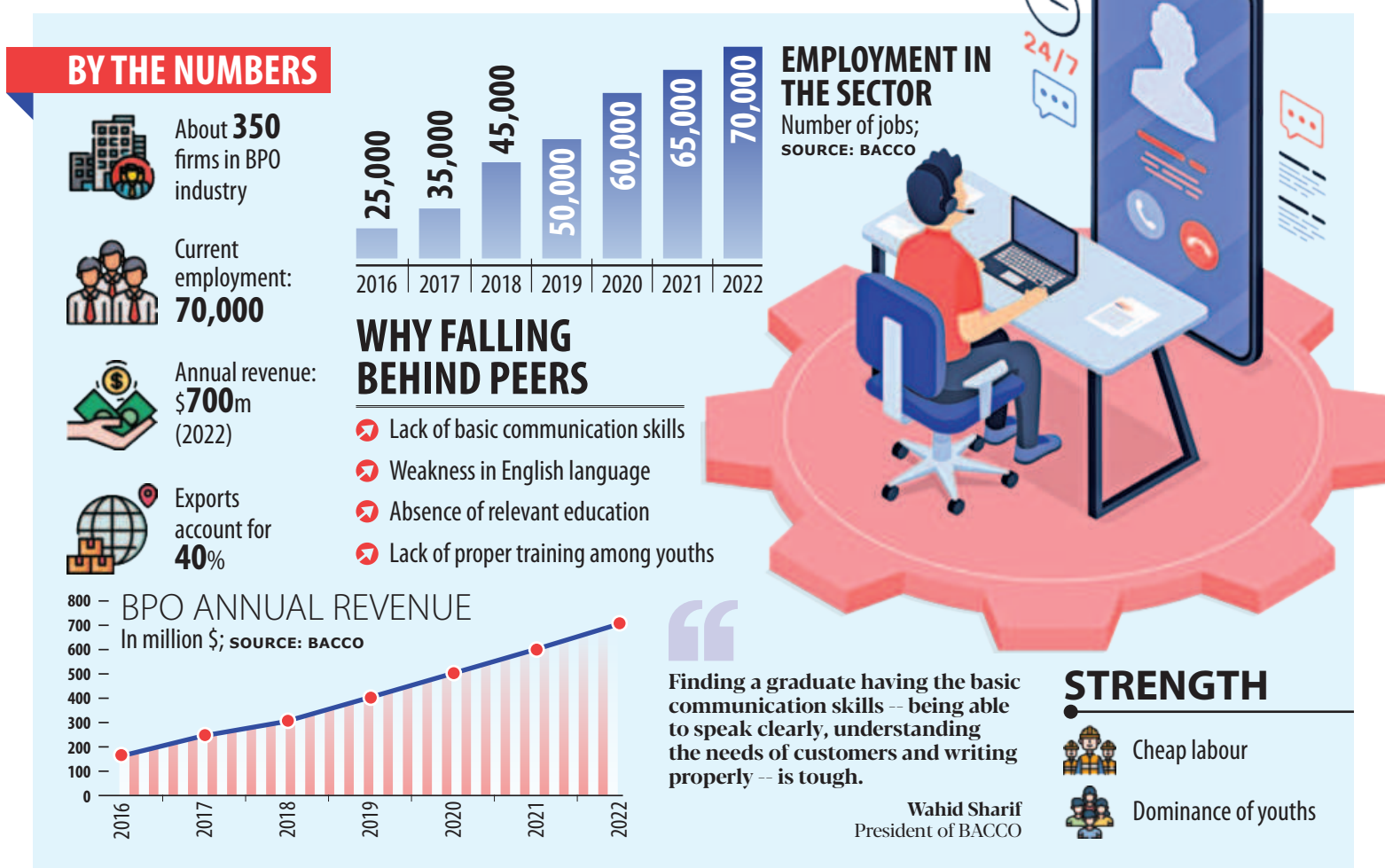
Alliance manages two mutual funds: MTB Unit Fund and Alliance Sandhani Life Unit Fund.

A mutual fund is a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities. It gives small or individual investors access to diversified, professionally managed portfolios.

As of now, Islam has failed to provide the committee with any reliable evidence on the ultimate use of the investors' money, the letter said.

Furthermore, there is a growing risk that Islam may leave the country in order to avoid legal and criminal consequences, it said.

READ MORE ON B3



Business process outsourcing industry growing steadily

MAHMUDUL HASAN

Bangladesh's business process outsourcing industry is growing steadily, creating jobs and bringing in foreign currencies, but the growth has failed to live up to expectations due to a lack of human resources and language skills among graduates.

As wages are relatively low in Bangladesh, the industry has the potential to grow exponentially and generate billions of dollars in export earnings, said people engaged in the industry.

The sector's annual revenue increased by 17 per cent in 2022, taking the total to \$700 million, according to an estimate of the Bangladesh Association of Contact Center and Outsourcing.

Of the figure, the export market accounts for \$300 million and the rest comes from the local market.

Over 350 local companies, most of them small and medium-sized, are providing a host of services such as of call centres, chat support, digital marketing, image processing, marketing, payroll and human resource, and account and supply chain management.

But the revenue of the industry is very low when compared to its

worldwide size.

The revenue of the global BPO industry stood at \$330 billion in 2022 and is projected to reach \$350 billion this year, according to global data firm Statista.

The BPO industry in countries such as India and the Philippines

president of the association.

"The basics of most fresh graduates are missing. They can't write an application properly and numerous mistakes are found in their punctuation, both in English and Bangla. Many of them can't even speak in Bangla



are earning a huge amount of foreign currencies thanks to their superior skills in the English language.

On the other hand, firms in Bangladesh find it difficult to get a fresh graduate who can speak Bangla properly, let alone other languages, industry people allege.

"Finding a graduate having the basic communication skills -- being able to speak clearly, understanding the needs of customers and writing properly -- is a tough job," said Wahid Sharif,

with proper pronunciation, let alone English."

He thinks the country needs to overhaul the education system and includes the industry in the process of formulating the education policy.

"Now there is a big opportunity for Bangladesh as the Philippines market is turning costlier for global clients," said Sharif, also the managing director of Digicon Technologies.

"But if there is a need for 100 people, we can't even find three.

If we want to maintain a big team, the cost of goods delivery turns expensive. It reduces our competitiveness."

Other major challenges faced by the industry are "never-ending" customer expectations, repeated technical disruptions and issues of health and safety, according to Md Mamunur Rahman, CEO of Net Bangla, which employs more than 50 people.

"The employee attrition in the BPO industry is pretty high. Companies are not able to effectively retain their employees for a long time. So, they suffer huge losses every time they have to train up new employees."

Despite the challenges, voice services in Bangladesh are on the rise thanks to the government's effort to ensure the smooth delivery of citizen services and outsource services from call centres.

Synesis IT Ltd, which currently employs 550 people, is providing call centre solutions, enabling its clients to reach target groups, track contacts and gather relevant data for customer relationship management.

It also designed, developed and implemented many projects such as a Prohash Bondhu Call Center

READ MORE ON B3

Agri ministry takes Tk 7,214cr project

Will promote crop diversification, reduce import dependency

MD ASADUZ ZAMAN

The agriculture ministry is planning to take up a Tk 7,214 crore project to promote crop diversification and ensure food safety, aiming to gradually reduce the country's dependency on imports.

The ministry plans to extend the cultivation area of non-rice cereals such as pulses, oilseeds and horticulture crops by 2 lakh hectares. Currently, the country has 88.29 lakh hectares of cultivable land.

Under the five-year project, the government will provide a "Krishak Smart Card" to each of 1.8 crore farmers so that they can get input subsidies and credit support, according to documents of the planning commission and agriculture ministry.

These two are among the project's 10 objectives. The others include improving irrigation systems, setting up new laboratories for export commodities, increasing crop research and development and using technology for evaluation.

The ministry plans to extend the cultivation area of non-rice cereals such as pulses, oilseeds and horticulture crops by 2 lakh hectares. Currently, the country has 88.29 lakh hectares of cultivable land

The ministry plans to involve several of its departments to implement the project starting July 2023 with the Department of Agricultural Extension as the lead agency.

The project, titled "Programme on Agricultural and Rural Transformation for Nutrition Entrepreneurship and Resilience in Bangladesh (PARTNER)", will be mostly funded by the World Bank and the International Fund for Agricultural Development (IFAD).

However, around Tk 1,454.65 crore will come from the government exchequer.

It will also train up 20,000 youths and women entrepreneurs and build up resilience in the agri-food value chain of Bangladesh.

"We are hopeful to build a solid foundation for the country's agriculture sector through this project to face the challenges of the graduation from the least developed country status in 2026,"

READ MORE ON B3

STOCKS		
DSEX ▲	CASPI ▼	
0.05%	0.01%	
6,196.75	18,277.75	

COMMODITIES		
Gold ▼	Oil ▲	
\$1,964.85 (per ounce)	\$73.57 (per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.60%	▲ 1.33%	▲ 0.22%	▼ 0.16%	
57,960.09	27,883.78	3,262.54	3,240.06	



Owners may have to pay a fine of up to Tk 3,000 if the vehicles are not insured, according to a proposal of the Insurance Development and Regulatory Authority.

PHOTO: STAR/FILE

Insurance may be made mandatory for all vehicles

STAR BUSINESS REPORT

The government is likely to make insurance mandatory for all types of vehicles, including motorcycles, cars and buses.

To this end, the Insurance Development and Regulatory Authority (Idra) has sent a proposal recently to the finance ministry to take an initiative to amend the Road Transport Act 2018.

Insiders said the Financial Institutions Division has prepared a summary in this regard for the Prime Ministers' Office for consideration.

Vehicle owners will have to pay a fine of up to Tk 3,000 if not insured, according to the IDRA proposal.

Insurance was once mandatory for all types of vehicles, including motorcycles, cars, buses and trucks. However, the law was repealed in 2018.

'Debt servicing a concern'

STAR BUSINESS REPORT

Around 18 per cent of Bangladesh's revenue is currently spent on debt servicing each year, creating a concern for the economy, according to Syed M Ahsan, professor emeritus at Concordia University in Canada.

"If the amount increases, the government's capacity to finance other

sectors, such as health and education, will squeeze," he said at a seminar, titled "Debt and Development: Where is Bangladesh Headed?"

The Bangladesh Institute of Development Studies (BIDS) organised the seminar at its office in Dhaka.

"The number of banks in Bangladesh is much higher than its economic volume.

READ MORE ON B3

IFIC Bank PLC
IFIC Tower, 61 Purana Paltan, GPO Box: 2229, Dhaka 1000, Bangladesh
E-mail: info@ificbankbd.com Website: www.ificbank.com.bd Hunting: 16255

DISCLOSURE OF MATERIAL INFORMATION

This is for the kind information of all concerned that Bangladesh Bank vide their letter no. BRPD(LS-1)/745(13)/2023-2560 Dated: 28 March 2023 received by us on 29 March 2023 has accorded approval to change the Registered Name of the Bank to IFIC Bank PLC.

(Earlier Registered Name was International Finance Investment and Commerce Bank Limited well-known as IFIC Bank Limited)

Dated: Dhaka
29 March 2023

Mokammel Hoque, FCS
Company Secretary

Russia's Rosneft signs deal to boost oil supplies to India

REUTERS, Moscow

Russia's largest oil producer Rosneft and India's top refiner Indian Oil Corp have signed a term agreement to substantially increase oil supplies and diversify oil grades delivered to India, Rosneft said on Wednesday.

The deal was signed during a working trip to India by Rosneft CEO Igor Sechin, the company said. It did not reveal the details of the agreement.

"The parties also discussed ways of expanding cooperation between Rosneft Oil Company and Indian companies in the entire value chain of the energy sector, including possibilities of making payments in national currencies," it added.

Russia has been rerouting its energy supplies from traditional markets in Europe, which imposed wide-ranging sanctions against Moscow following the start of what the Kremlin calls a special military operation in Ukraine last year.

India has been the biggest buyer of Russia's benchmark Urals grade crude in March. Deliveries to India are set to account for more than 50 per cent of all seaborne Urals exports this month, with China in second place.

Gold price drops

REUTERS

Prices of safe-haven gold dropped on Wednesday as easing fears of a further contagion from the global banking crisis whetted appetite for riskier assets.

Spot gold was trading 0.6 per cent lower at \$1,961.80 per ounce, as of 0749 GMT, after rising 1 per cent on Tuesday. US gold futures slipped 0.5 per cent to \$1,963.10.

"We've seen a natural retracement ... gold is pulling back after a failed 'bid' to break above \$1,975," said Matt Simpson, senior market analyst at City Index.

But some investors "still seem to be holding onto gold 'just in case' there's another skeleton or two lurking in the closet," Simpson said.

The dollar firmed, making bullion expensive for overseas buyers. Asian shares surged on Wednesday.

While gold would "ultimately" be supported by financial uncertainty, prices could become more volatile over coming weeks if inflation and U.S. economic data stay elevated, Simpson said.

Data on Tuesday showed US consumer confidence unexpectedly increased in March, while February's US trade deficit in goods widened modestly.



Local shops offering repairs and servicing of electric fans are witnessing increasing work orders as the temperature keeps rising. For every Tk 2,000 paid by customers, the electrician makes a profit of Tk 700 to Tk 800. The photo was taken at Kathpotti area of Barishal city recently.

PHOTO: TITU DAS

Stocks back on the uptick after two-day loss

STAR BUSINESS REPORT

Stocks in Bangladesh yesterday returned to the green after a two-day slip while turnover of the Dhaka Stock Exchange (DSE) also rose.

The DSEX, the benchmark index of the country's premier bourse, added 3.66 points, or 0.059 per cent, to close the day at 6,196 points.

The DS30, representing blue-chip stocks, shed 0.17 per cent to hit 2,206 points while the DSES, an index comprised of shariah-compliant companies, edged up 0.15 per cent to 1,347 points.

Although major indices rose, a confidence crisis prevails as institutional investors are keeping away from the market amid the prevalence of floor prices, a stockbroker said.

By the end of July 2022, the Bangladesh Securities and Exchange Commission had set individual floor prices for each stock to halt the freefall of market indices amid global economic uncertainties.

Although the market regulator later withdrew the floor prices of 169 companies in December, it reintroduced the mechanism earlier this month.

Some individual investors are active in the market but most remain on the sidelines as their funds are tied up in stocks that have prices stuck at low levels, the broker said.

"As the economic situation is not still optimistic and the market remains dry due to the floor price, peoples' participation is not rising," he added.

Although major indices rose, a confidence crisis prevails as institutional investors are keeping away from the market amid the prevalence of floor prices, a stockbroker said

Turnover of the DSE, a key indicator of trade in the market, rose 40 per cent to Tk 382 crore yesterday while it was Tk 272 crore a day earlier.

Of the securities traded, 80 advanced, 27 declined and 198 remained unchanged.

The stock market regained its gaining streak after two sessions of price correction as the current price level of several scrips from different sectors have attracted investors, International

Leasing Securities said in its daily market analysis.

The market started positively but the momentum slowed in later hours.

Besides, market participation increased 40.7 per cent to Tk 382.7 crore compared to the previous session.

Among the sectors, IT rose 3.5 per cent, paper and printing increased 1.4 per cent, and jute advanced 0.8 per cent. Meanwhile, travel and leisure dropped 1.8 per cent, life insurance declined 0.6 per cent, and pharmaceuticals and chemical fell 0.1 per cent.

The investors' attention was mainly focused on the food and allied (17.1 per cent), IT (16.5 per cent), travel and leisure (9.7 per cent), and service and real estate (7.9 per cent) sectors.

The CASPI, the all-share price index of the Chittagong Stock Exchange, declined by 2.23 points, or 0.01 per cent, to 18,277 points.

Of the issues traded, 43 rose, 21 retreated, and 35 saw no price movement.

Turnover of the port city bourse dipped by more than 21 per cent to Tk 5.14 crore compared to Tk 4.22 crore a day earlier.

Monzur becomes MD of Jalalabad Gas Transmission

STAR BUSINESS DESK



Monzur Ahmad Chowdhury became the managing director of state-owned Jalalabad Gas Transmission and Distribution System Limited (JGTDSL), a company of Petrobangla, on Tuesday.

Chowdhury had joined JGTDSL in 1991 as an assistant engineer and since then he worked in different capacities, said a press release.

He obtained his Bachelor of Science (BSc) degree in mechanical engineering from the Bangladesh University of Engineering and Technology (Buet).

Farmer wins Tk 1 lakh products buying Marcel fridge

STAR BUSINESS DESK

Sanowar Hossain, a farmer of Alamdanga upazila in Chuadanga, won Marcel branded electronics products worth Tk 1 lakh as a winner of Marcel's ongoing "Digital Campaign Season-17" buying a Marcel refrigerator.

Md Ayub Hossain, chairman of Alamdanga upazila parishad, Md Humayun Kabir, deputy managing director of Marcel, and popular actor Amin Khan, brand ambassador, handed over the products to Sanowar at a function held at the Marcel distributor showroom "Mamun Enterprise" recently, said a press release.

Under the season 17 of the campaign, Marcel offers customers free products of up to Tk 1 lakh to buy fridge, television, air conditioner and washing machine. The offer will continue till April 30, 2023.

Ariful Ambia, senior executive director of Marcel, Nurul Islam Rubel, operative director, and Md Faruk Hossen, proprietor of the showroom, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 29, 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 55-Tk 58	-4.24 ↓	56.94 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 170-Tk 175	1.47 ↑	16.95 ↑
Potato (kg)	Tk 22-Tk 25	17.5 ↑	11.9 ↑
Onion (kg)	Tk 35-Tk 45	33.33 ↑	14.29 ↑
Egg (4 pcs)	Tk 45-Tk 46	5.75 ↑	29.58 ↑
SOURCE: TCB			



Md Afzal Karim, managing director of Sonali Bank, received a certificate and a crest from Sheikh Mohammad Salim Ullah, secretary to the financial institutions division of the finance ministry, at Bangladesh Secretariat on Tuesday over implementing a "National Integrity Strategy" for fiscal year 2021-2022.

PHOTO: SONALI BANK



M Reazul Karim, managing director of Premier Bank, attended a programme on feature film "Chironjib Mujib" based on "Ausamapta Atmajiboni" (The Unfinished Memoirs), an autobiography by Father of the Nation Bangabandhu Sheikh Mujibur Rahman, at the bank's head office in Dhaka recently. Syed Nowsher Ali and Shamsuddin Chowdhury, additional managing directors, and AYM Naimul Islam, Anisul Kabir, Khondaker Rahimuzzaman and Shamim Murshed, senior executive vice-presidents, were present.

PHOTO: PREMIER BANK

Islami Bank working

FROM PAGE B4

In addition, the financial indicators of the bank have improved since the transformation."

For instance, the amount of deposits at IBBL stood at Tk 56,000 crore in 2016. It increased to Tk 153,000 crore just before the latest spate of loan anomalies made headlines.

The bank's investment increased to Tk 137,000 crore in 2022 in contrast to Tk 48,000 crore six years ago.

He did not respond when asked whether there was any conflict of interest in the loan disbursed to S Alam Group since directors nominated by the conglomerate sit on the board of IBBL as well.

"We have financed S Alam group. But we did not give any money to the concerns of the group that have representative directors on the board."

"There is no policy violation. We also have not financed the businesses that have nominated directors to the board."

"We are not allowed to finance the companies whose owners are involved in the bank's board as per banking rules," said Moula, adding that there has been a long-lasting business relationship between IBBL and S Alam since 1985.

He said there is no dispute between IBBL and S Alam Group and the group's business has flourished on the back of the loans from the bank.

He was asked whether the allegation of anomalies in appointing officials in the bank since 2017 was accurate. "The board and management can hire officials without a written exam as per the recruitment policy of the bank."

"The bank can even appoint officials by conducting any viva. We have followed rules and regulations while appointing employees."

Banks in Bangladesh usually arrange written and viva examinations to recruit skilled employees.

Moula said the banking sector was almost stable before the recent stress. "But there was a rumour in

November that no bank would survive, leading people to withdraw deposits from many banks."

Around Tk 15,000 crore was withdrawn from IBBL.

But Moula said: "Depositors are now coming back and parking their funds with the bank."

He added: "We are not in a position to disburse large loans due to the decrease in deposits. We will give out such loans when the deposit volume rises."

The bank is now giving out loans to the SME, agriculture, consumer, and retail sectors.

"We have a successful track record. So, we believe that we will be able to bring back the public confidence soon."

IBBL is still popular among expatriate Bangladeshis. It has deployed 28 employees in countries such as the US and the nations in the Middle East to attract migrant workers to send money home money through its channel.

The bank brings a sizeable volume of remittances to the country.

Maize farming leading char farmers

FROM PAGE B4

Liton Mia, a farmer of char Tekani in the district's Sonatal upazila, said he cultivates other crops with the profits earned from growing maize.

"You will surely profit by cultivating maize but other cash crops are risky," he added.

Badar Uddin, a union parishad member of Fulchari upazila, said some 10,000 people live in Deluabari char, which was established around 40 years ago.

People in the area did not see much economic progress before cultivating maize but now, they are making quick progress.

"You will find that every char family now has a motorcycle, freezer, cattle and much more. The main is that maize cultivation has eradicated poverty in the region in many ways," he added.

So, the expansion of maize grows

ever quicker, especially in char areas, as the crop offers high profit for low investment.

In Gaibandha, farmers cultivated 17,200 hectares of maize, 11,000 hectares of which were in char areas. Similarly, 12,000 hectares in Bogura were brought under maize cultivation this year, according to the Department of Agricultural Extension (DAE).

Farmers in Bogura had cultivated 8,750 hectares of maize last year but this year, the acreage has increased to 12,000 hectares, said an official of the local DAE.

DAE officials expect maize yields in Bogura and Gaibandha will amount to nearly 3 lakh tonnes, which is estimated to be worth more than Tk 1,050 crore at the current market price.

According to the Bangladesh Wheat and Maize Research Institute, farmers in the country cultivated

only 7.5 lakh tonnes of the crop in 2009 while it was 54 lakh tonnes in 2020.

Anamul Haque, additional deputy director of the DAE in Bogura said, maize cultivation is expanding in char areas for different reasons.

First, maize farming is increasing for the crops used in different industries, such as bakery, poultry and fish farming businesses.

Second, maize imports have declined amid the ongoing Russia-Ukraine war and US dollar crisis.

Third, maize requires low investment and care but gives bumper yields and profits.

And fourth, some private companies are importing high yield seeds that provide around 12 tonnes of maize per hectare.

"Therefore, maize is now the best cash crop for farmers in char areas," Haque added.

Vietnam growth slows as exports slump

AFP, Hanoi, Vietnam

Vietnam's economic growth slowed in the first quarter of the year as exports slumped due to reduced consumer demand, authorities said Wednesday.

The communist manufacturing hub's economy expanded by 3.32 per cent in the January-March period, down from 5.05 per cent in the same period of 2022.

Vietnam is one of the world's largest exporters of clothing, footwear and furniture but in the first quarter of 2023 the country faced "unstable and complicated developments in the world economy", the General Statistics Office (GSO) said in a statement.

"The slow recovery of the world economy with the tightening monetary policies in several countries have reduced consumption demands in major trade partners. This created an impact on Vietnam's imports and exports volume."

Vietnam earned \$79 billion from exports in the quarter -- down 11.9 per cent year on year.

According to the statement, shipments of smartphones were down 15 per cent and electronics shipments decreased by 10.9 per cent during those months.

"Commodity and export-dependent economies like... Vietnam are particularly vulnerable to slowing export demand, including from China," the World Bank said in an earlier report.

More than 630,000 factory workers lost their jobs or had their hours cut in Vietnam in 2022, according to the labour ministry.

The bank predicted Vietnam's economic growth for 2023 would be at 6.3 per cent, down from eight per cent in 2022.



The demand for protein is ever-growing in Bangladesh thanks to the country's expanding population, prompting those in the poultry and livestock sector to ramp up production in recent years. As such, bank loan disbursements for the sector rose in the first seven months of the current fiscal year.

PHOTO: STAR/FILE

Bank loan disbursement to poultry, livestock rises

STAR BUSINESS REPORT

Banks disbursed a higher amount of loans to the poultry and livestock sector in the first seven months of the current fiscal year compared to the same period a year ago, according to data by Bangladesh Bank.

In the seven months ending with January, the share of poultry and livestock in total farm loans of Tk 18,684 crore rose 21 per cent from 17 per cent during the same period the previous year.

Poultry and livestock producers got Tk 3,923 crore in loans in the July-January period this fiscal, which was 35 per cent higher from the same months a year ago, shows monthly report on agriculture and rural finance released yesterday.

Apart from the livestock sector, farmers borrowed more to grow crops this fiscal year as the share of the crop sector in overall farm credit grew 0.3 percentage points to 47.6 per cent in the first seven

months of this fiscal year.

Banks financed Tk 8,893 crore during the period while it was Tk 8,067 crore a year ago, according to the data.

However, the disbursement of funds for poverty alleviation declined as a percentage of the total agricultural credit given by banks.

Central bank data shows that private banks' share in farm loan disbursement rose in the current fiscal year while the share of other category lenders, including specialised and state-owned commercial banks, declined.

Private Banks disbursed 56.5 per cent of the Tk 18,684 crore loans disbursed during the July-January period of the fiscal year.

In the previous fiscal, the share of private banks in agricultural loan disbursement was 54.8 per cent.

By contrast, the share of specialised banks declined to 30.5 per cent during the period, down from 30.5 per cent the same period a year ago.

State commercial banks disbursed 9.5 per cent of the total loans to crop, poultry, livestock and other areas.

The share of state banks in farm loan disbursement was 9.7 per cent in the first seven months of fiscal year 2021-22.

Foreign banks lent 3.5 per cent of the total farm loans in the July-January period of the current year, down from 3.6 per cent a year ago, as per the data.

For the current fiscal year, Bangladesh Bank has fixed the target for agricultural credit disbursement at Tk 30,911 crore, which is nearly 9 per cent higher from the Tk 28,391 crore targeted last fiscal year.

During the July-January period of the current fiscal year, banks finances to the farm sector grew 10 per cent year-on-year from Tk 17,055 crore a year ago.

The central bank data shows that recovery of agricultural credit grew 7.8 per cent to Tk 2,016 crore in January this year compared to a year ago.

Banking turmoil means recession fears creeping back

REUTERS

The failures of US lenders Silicon Valley Bank (SVB) and Signature Bank, followed by Credit Suisse's rescue, and the ensuing turmoil in world markets have re-ignited the recession risks that appeared to have abated just a few weeks ago.

Traders now bet the Federal Reserve is practically done hiking interest rates. Optimism that followed China's economic reopening and tumbling energy prices early this year has dimmed.

"The bigger, medium-term implication, of what's happened in the last month is that global growth will be far weaker in six months than we thought even just a few weeks ago," said Mike Riddell, senior fixed income portfolio manager at Allianz Global Investors.

Here's what some closely watched market indicators say about recession risks:

Central bankers are closely monitoring the potential for banking stress, on top of lending conditions that were already tightening, to trigger a credit crunch.

Fed chief Jerome Powell believes financial conditions have likely tightened more than traditional measures indicate. European Central Bank boss Christine Lagarde has also said the market turmoil may help fight inflation.

"The bigger, medium-term implication, of what's happened in the last month is that global growth will be far weaker in six months than we thought even just a few weeks ago."

Goldman Sachs reckons the tightening in bank lending standards it expects could subtract at least 0.25 to 0.5 percentage points from 2023 U.S. economic growth, equivalent to the impact of another 25-50 bps of Fed rate hikes.

AXA Investment Managers Chief Economist Gilles Moec noted small and big US banks were borrowing heavily and holding onto cash, citing Fed data showing bank asset and liability positions as of March 15.

"There is a sizeable risk that the ongoing banking trouble triggers a 'sudden stop' in lending which would then send the economy into the sort of recession which would go beyond what is strictly needed to tame inflation," he added.

As the outlook darkens, traders were betting on Tuesday another Fed rate hike is a coin toss, with over 50 bps worth of rate cuts priced by year-end. ECB rates are seen peaking at around 3.4 per cent, down from over 4 per cent in early March.

This has pushed shorter-dated borrowing costs down. US two-year bond yields have dropped 80 bps in March, so yield curves are less inverted than prior to SVB's collapse.

While inverted yield curves, where long-dated borrowing costs are lower than shorter-dated ones, are good recession predictors, inversion has been followed by steepening as past recessions neared.

The US two-year/10-year yield curve has steepened over 40 bps this month, the biggest monthly steepening since 2009.

World shares down just 0.1 per cent in March and still sitting on gains this year seem to signal little recession risk, but worries are mounting under the surface.

'Debt servicing a concern'

FROM PAGE B1

This will not bring any positive for the financial sector," Ahsan said.

"We do not allow any bank to fail but this is a bad culture. Banks facing losses should be allowed to fail," he added.

Ahsan then suggested that deposit insurance should be increased to protect the clients' funds.

Almost all countries monitor all types of economic activities, he said, adding that the black economy is available in every country.

The black economy refers to people who operate entirely outside the tax and regulatory system.

A group of people does not show their business transactions to avoid taxation, he said.

However, such types of economic

activities are also calculated by the respective authority of the foreign nations, Ahsan added.

With this backdrop, he urged the central bank to detect the volume of the black economy and bring such activities under regulation.

Binayak Sen, director general of BIDS, said the ongoing Russia-Ukraine war has had a more adverse impact on the economy than the coronavirus pandemic.

"If the war prolongs, the economy will face more problems," he added.

Sen then said that Bangladesh has taken loan from the International Monetary Policy at the right time.

"If the suggestions of the IMF are implemented properly, the country will get benefit from it," he added.

Business process outsourcing industry growing

FROM PAGE B1

for the government's a2i project, a Union Parishad HelpLine and a helpline for the Dhaka Water Supply and Sewerage Authority.

"We have been providing various types of services of the government to the citizens, solving many problems. Now we are trying to export these services to other countries," said its managing director and co-founder, Shohorab Ahmed Chowdhury.

Another segment that shows great promise in the BPO industry is the outsourcing of graphic designing and image editing.

India, the Philippines and Vietnam have long been among the major markets for outsourcing for global clients but Bangladesh has also become a favourite destination owing to its offers of lower prices and the ability to deliver projects on a large scale.

Currently, 7,000 people are working at more than 100 small and medium companies in the country specialising in graphic designing and image editing.

Another 50,000 are working as freelancers, according to an estimate by industry people.

According to the association, there are more than 70,000 people working in the BPO industry.

Kowser Ahmed Nirob, CEO and founder of The KOW Company, said 3D images, a computer-generated graphic or image that provides the perception of depth like a real-world object, would rule the roost in the BPO industry.

"We are working on it with some of the top global retailers," he said. The KOW Company currently employs over 550 people.

Agri ministry takes



Under the five-year project, the government will provide "Krishak Smart Card" to each of 1.8 crore farmers so that they can get input subsidies and credit support, according to documents of the planning commission and agriculture ministry.

PHOTO: STAR/FILE

FROM PAGE B1

said Wahida Akter, secretary to the agriculture ministry.

"Whatever we wanted to do in agriculture for so long, through this project, we want to coordinate everything," she said.

On distributing the "Krishak Smart Card", she said a database of farmers would be created across the country to ensure that the government benefits reach the real farmers.

However, the agriculture ministry last year had taken the same sort of programme, introducing "smart cards" for 1.09 crore farmers with an aim to provide area-based and demand-based agricultural services. It was supposed to be used as farmers' digital identity, which would help them get government incentives as well.

To this effect, a pilot project involving Tk 108 crore is already in the pipeline to provide digital services

to farmers in 14 agricultural zones of nine districts.

Asked why the same type of programme is being undertaken, she said they had taken up the first project as per their "digitalisation plan".

But when they got a "more updated" proposal from the World Bank, they scrapped the first project, she said.

"From the PARTNER project, each family will get a single smart card but earlier (under the previous project) more than one family member was allowed to get the card," she said.

"We are not running the previous project," said Akter.

Akter also said the PARTNER programme's cards would be very "effective" and provide additional facilities.

The previous project's card was stipulated to cost Tk 56 but under the new project, the cards would now

cost Tk 270 to Tk 275, she said.

Under the project, the ministry also plans to increase the area being used for the cultivation of fruits and vegetables through good agricultural practices to three lakh hectares while high-yielding rice varieties to two lakh hectares.

Talking to The Daily Star, Md Shakhawat Hossain Sharif, a focal point officer of the project, said they have mainly focused on crop diversification as well as exploring export possibilities through this project.

"We want to set up modern lab facilities and accredited testing processes for agricultural commodities to ensure global standards for food exports," he said.

The project is now under the supervision of the planning commission, and it will finally be placed at the Executive Committee of the National Economic Council for final approval, he said.

BSEC seeks travel ban

FROM PAGE B1

So, the commission requested the police to take appropriate measures so that the MD and CEO of Alliance Capital can't leave the country.

Yesterday, Islam told the Daily Star that the fund was invested in non-listed companies and it has been recalled. So, the fund will return to the bank account during the inquiry period, which ends on

April 24.

"We are making business. Our performances are good. So, we provided 14.5 per cent and 9.5 per cent cash dividend from the two mutual funds last year."

According to Islam, the trustee meeting and auditing for the financial year of 2021-22 are yet to complete. However, it has the capacity to pay the double-digit dividend.

Beza, China chamber sign

FROM PAGE B4

Congratulating the BCCCI on signing the MoU, Beza Executive Chairman Shaikh Yusuf Harun said Beza was providing land at competitive rates for planned industrialisation as well as creating an investment-friendly environment to open up new opportunities for investors.

Haroon said by attracting domestic and foreign investment, Beza was working hard to maintain the goods supply system, meet domestic demand and maintain exports.

He said Beza was developing

economic zones on a G2G basis by protecting national interest.

The Beza executive chairman also mentioned that Chinese investors were investing a significant amount of money in all the economic zones under the Beza where land allocation was ongoing.

He also urged Chinese investors to invest in the tourism parks set up by Beza.

Haroon said Beza was coordinating with various government institutions to protect the interests of all investors, including the Chinese.



Farmers in char areas of northern Bangladesh are increasingly banking on maize cultivation to earn profits as it is easier and cheaper to grow compared to other crops. Here, shucked corn is being dried in the sun at a farm in Deluabari char under Fulchari upazila of Gaibandha. PHOTO: MOSTAFA SHABUI

Maize farming leading char farmers to financial stability

MOSTAFA SHABUI, Bogura

About two decades ago, farmers in remote char areas of northern Bangladesh were quite impoverished due to the consequences of repeated flooding and other natural disasters.

Now though, these farmers have achieved financial stability by growing maize, which is more suitable for the region compared to other crops.

For example, more profitable crops such as jute and chili are easily damaged by heavy rain and pests but maize carries less risk in this regard while also providing ample returns, according to Nazir Uddin, a farmer of Kalur Para char under Saghatia upazila of Gaibandha.

Mofiz Uddin, a farmer of Dighatkandi char in the same upazila, said a farmer can profit up to Tk 80,000 by cultivating one bigha of chili while growing maize on the same amount of land would earn him just over Tk 30,000.

But despite the considerably lower returns, growing maize bears little to no risk compared to chili while it only costs as much as Tk 9,000 to cultivate, he added.

Nurunnabi Mollah, a farmer of Deluabari char under Fulchari upazila, said cultivating jute is highly profitable but huge quantities of the crop are damaged by early floods each year.

"So, all things considered, we only get good profits from maize," he added.

The financial condition of farmers in char areas was very poor until they started receiving stable profits from cultivating maize, which brought economic prosperity to the region," said Nazir Uddin, who first started growing maize in the upazila's char Jamira some 20 years back.

Jakirul Islam, a farmer of char Dakatmara under Bogura's Sariakandi upazila, said he cultivated three bighas of maize at a cost of around Tk 24,000 this year.

"I harvested two bighas already and got around 70 maunds [one maund equals 37 kilogrammes]," added Islam, who made a profit of Tk 40,000 from the crop currently selling for about Tk 1,400 per maund.

READ MORE ON B2

Islami Bank working to restore depositors' confidence

Says its managing director

STAR BUSINESS REPORT

Islami Bank Bangladesh Ltd (IBBL) is working to restore depositors' confidence by way of waging campaigns, said its managing director Mohammed Monirul Moula.

"There is no scope to deny that some mistakes had taken place at the bank. And we have learnt the lessons so that those mistakes can be avoided in the coming days," he told The Daily Star in an exclusive interview last week.

"I think by this year, we will be able to bring back the public confidence that we enjoyed previously."

His plan comes as the largest private bank in Bangladesh celebrates its 40th anniversary.

Established in March 1983, IBBL was the first Shariah-based bank in Southeast Asia.

IBBL has recently come under scrutiny due to widespread financial scams.

Th bank allegedly disbursed Tk 7,246 crore in loans to nine companies last year violating banking norms. Of the amount, Tk 2,460 crore was disbursed in the

first 17 days of November last year. Most of the nine companies were sister concerns, many of which provided false business addresses, of Rajshahi-based Nabil Group.

Moula, who was appointed as the managing director of IBBL in January 2021, talked about the scams that rattled the entire financial sector.

He said the bank did not follow due diligence in some cases and made some investments in a hurried manner to meet the immediate demand for loans.

"We should have scrutinised the addresses of the businesses before disbursing the loans. Since we have a good relationship with Nabil Group, the bank did not give importance to scrutinising the accuracy of the business address of its sister concerns."

Moula, however, said the bank financed Nabil Group based on its long-standing relationship.

"We financed the group with the utmost confidence. If the sister concerns can't repay the loans, the group will not be able to ignore the responsibility."

Banking norms, however, stipulate that a company is not

obliged to clear the loans given to its sister companies.

IBBL has recovered around Tk 900 crore of the outstanding loans amounting to Tk 7,246 crore from the concerns of Nabil Group, and the rest will be paid back in phase in the coming days.

"The bank is now focusing on ensuring due diligence and good governance in its all operations, and such type of mistakes will not repeat," he said.

Moula, who started his career in the bank in 1986, also responded to questions regarding the takeover of IBBL by S Alam Group.

Several little-known local companies linked to S Alam Group had bought the bulk of the shares of IBBL before the change in ownership and the reshuffling at the board and management.

The companies started buying shares at Islami Bank in 2012 and secured a strong position by 2016.

Finally, the Chattogram-based business group took control of the bank in January 2017, a development that would not bode well for IBBL, analysts warned at that time.

Asked about the change, Moula said the change in the board has not affected the bank.

"Change does not give a negative message always. It brings positive things in many cases.

READ MORE ON B2

IFIC Bank shortens name, assumes PLC suffix

STAR BUSINESS REPORT

The name of International Finance Investment and Commerce Bank Limited has been changed to IFIC Bank PLC, according to a notice from the central bank yesterday.

The change came into effect on Tuesday.

Although its full name was International Finance Investment and Commerce Bank Limited, it was largely known as IFIC Bank Ltd.

Now, the private commercial bank has not only changed its name, it also assumed the PLC (Public Limited Company) suffix in place of "Limited".

In Bangladesh, the 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.

Ring Shine Textiles incurs Tk 19cr loss in Oct-Dec

STAR BUSINESS REPORT

Ring Shine Textiles Limited suffered a Tk 19.01 crore loss in the October-December quarter of the current financial year.

This compared to the Tk 50.03 lakh profit the textile manufacturer posted in the same quarter a year earlier.

Thus, the earnings per share (EPS) were a negative Tk 0.38 for October-December of FY23 against a positive EPS of Tk 0.01 in the similar three-month period of 2021-22, according to the un-audited financial statements.

This raised the loss to Tk 38.02 crore in July-December of FY23, which was Tk 17.01 crore in the identical half of 2021-22.

As a result, the loss per share stood at Tk 0.76 in the first half of the ongoing financial year compared to Tk 0.34 in the July-December of FY22.

The EPS was negative because of the incurring loss, highly impacted by the increase in financial expenses, said the textile company in a filing on the Dhaka Stock Exchange.

The net operating cash flow per share rose to a positive Tk 0.30 in July-December from a negative Tk 0.70 in the same half of FY22.

The net asset value per share slipped to Tk 3.23 on December 31 from Tk 2.50 on June 30.

The NAV per share decreased as it incurred a loss since the company is operating at 17-25 per cent capacity and yet to reach break-even, the filing said.

Shares of Ring Shine Textiles closed unchanged at Tk 9.80 on the DSE yesterday.

Tamijuddin Textile raises authorised capital to Tk 100cr

STAR BUSINESS REPORT

Tamijuddin Textile Mills Limited yesterday said it has increased the authorised capital from Tk 35 crore to Tk 100 crore.

This has been approved by the Registrar of Joint Stock Companies & Firms, said the textile company in a filing on the Dhaka Stock Exchange.

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

Beza, China chamber sign MoU to brand Bangladesh

STAR BUSINESS REPORT

Bangladesh Economic Zones Authority (Beza) and the Bangladesh China Chamber of Commerce and Industry (BCCCI) signed a memorandum of understanding (MoU) yesterday over promoting and branding Bangladesh globally and attracting foreign investment at economic zones.

Md Moniruzzaman, general manager (investment development) of Beza, and Al-Mamun Mridha, secretary general of the BCCCI, signed the deal at the Beza office in Dhaka.

Under the MoU, the BCCCI will provide necessary assistance to Beza in policy formulation, organising policy dialogues for development of bilateral trade and attracting potential Chinese investors.

Shah Md Sultan Uddin Iqbal, senior vice-president of the BCCCI, said Bangladesh has been able to create an investment-friendly environment through economic zones and has become a role model for development in the world.

Iqbal mentioned that China was already investing significant amounts of money in economic zones and would do so in ones dedicated for the country on a government-to-government (G2G) basis.

He hoped that the signing of MoU would further expand the scope of Chinese investment in Bangladesh.

Since its establishment in 2003, the BCCCI has been working towards the development of business relations between the two countries and there are about 450 Chinese investors in the organisation, said the BCCCI vice-president.

READ MORE ON B3



An aerial view shows an oil factory of Idemitsu Kosan in Ichihara, east of Tokyo. Oil price rose to \$79.07 a barrel yesterday in the global market as a halt to some exports from Iraqi Kurdistan raised concerns of tightening supply while easing fears of a global banking crisis supported risk sentiment in the wider markets. PHOTO: REUTERS/FILE

DBH Finance's profit falls in 2022

STAR BUSINESS REPORT

DBH Finance PLC reported a 2.62 per cent year-on-year decrease in profit to Tk 101.59 crore in the financial year that ended on December 31.

The profit stood at Tk 104.32 crore in 2021 for the non-bank financial institution.

Thus, the company reported earnings per share of Tk 5.21 for 2022 against Tk 5.35 a year ago. The net asset value per share of DBH Finance rose to Tk 41 in 2022 from Tk 37.15 in 2021.

But the net operating cash flow per share (NOCFPS) stood at Tk 19.64 negative from Tk 0.04 negative a year ago.

"The NOCFPS decreased significantly due to higher encashment of deposits during the year with net cash outflow of Tk 3,91.8 crore," said the NBFI in a filing on the Dhaka Stock Exchange.

The board of directors of DBH Finance has recommended a 15 per cent cash and a 2 per cent stock dividend for the last financial year.