

## United Airways' directors to face legal action

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) is going to take legal action against the board of directors of United Airways for their alleged involvement in irregularities.

The stockmarket watchdog took the decision in a commission meeting on March 30.

The BSEC is going to take the step according to the recommendation of an enquiry committee, which was formed to find out the reasons behind the fall of the private airline.

In 2021, the commission ordered the Dhaka and Chattogram stock exchanges to transfer United Airways to the over-the-counter board from the main trading board considering the high-risk level of the company due to its volatile market price and weak fundamentals.

In February 2016, United ceased flight operations without any announcement amid mounting losses.

## BMSL's mutual fund gets go-ahead

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The Bangladesh Securities and Exchange Commission (BSEC) has given go-ahead to the BMSL National Housing Growth Fund.

The primary target of the open-ended mutual fund is to collect Tk 25 crore. Of that, the National Housing Finance and Investments has already provided Tk 2.5 crore and the rest of the fund will come from the general investors.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are then paid their share as dividends.



After seeing a slump earlier this year, shrimp exports from Bangladesh are slowly picking up again as the production period of white-leg shrimp has ended, creating an opportune moment for exporters to ship freshwater prawns amid rising global demand. PHOTO: STAR/FILE

# Shrimp exports recovering from downturn

SOHEL PARVEZ

Shrimp exports are gradually recovering from a downturn earlier this year mainly due to increased demand and prices for freshwater prawn and partly for brackish water shrimp locally known as black tiger, two exporters said.

Export earnings from shrimp, the main item of the half-a-billion dollar export earning frozen and live fish sector, plunged as much as 32 per cent in the July-November period of the current fiscal year 2022-23.

The situation has been improving since then.

Frozen food processors recorded a 24 per cent slump in shrimp shipments for the US and European markets, showed data from the Export Promotion Bureau (EPB).

"We see the recovery as demand and prices of prawn has increased," said Kazi Belayet Hossain, president of the Bangladesh Frozen Foods Exporters Association (BFFEA).

Bangladesh grows black tiger shrimp and prawns for export mainly in the southwest coastal division of Khulna and the rest in the southeast division of Chattogram.

And the export proceeds from shipments of shrimp hit a six-year high in fiscal year 2021-22 and overall receipts stood at \$532 million by the end of the fiscal, according to EPB.

Earnings from the sector began to fall since August of this financial year, plummeting by as much as 32 per cent due to declining demand for locally grown black tiger shrimp.

**Export earnings from shrimp plunged as much as 32 per cent in the July-November period of the current fiscal year of 2022-23**

Oversupply white-leg shrimp, also called vannamei, caused its prices to fall and led to a downturn in prices and demand for locally grown shrimp, said S Humayun Kabir, director of BFFEA.

He said vannamei accounts for 77 per cent of the global demand for shrimp while Bangladesh's black tiger shrimp and prawns are comparatively larger in size and have higher prices.

However, after November, the demand for locally grown shrimp began to increase as the supply of vannamei reduced because of end of the production season.

"This created an opportunity for us to sell at higher prices from stocks that were built up earlier," Kabir added.

He then said Bangladesh is likely to enjoy the advantage over white-leg shrimp as harvesting of brackish water shrimp has already started here. On the other hand, harvests of vannamei start late.

"So, it is likely that we may get higher prices and higher demand for our shrimp in the export market," added Kabir, also managing director of Amam Seafood Industries Ltd.

BFFEA President Hossain, citing the formulation of a guideline for commercial cultivation of vannamei, said they would start cultivation of the non-native shrimp from the next fiscal year.

The government framed the guideline for commercial cultivation of vannamei species after experimental farming in three farms in the southern coastal region showed severalfold higher yields compared to that of locally farmed black tiger shrimp.

## REDX announces freelancing model for logistics riders

STAR BUSINESS REPORT

REDX, the logistics wing of the country's e-commerce platform ShopUp, introduced a new freelance work model for delivery riders.

Under the new model, anyone can now make parcel delivery for REDX for a certain period at their convenience.

For that, one will have to get registered with the REDX app by uploading documents such as the national ID and driving licence.

The new model, which is based on work volume, rewards timely and efficient deliveries made by riders, said the company in a press release.

The primary implementation of the new model has yielded significant improvements, particularly during high-pressure scenarios, where scalability and capacity have been significantly enhanced, it added.

REDX merchants are also able to enjoy higher sales volumes due to faster delivery times.

"We are thrilled to see the positive impact this new work model has had on everyone, from our frontline workers to our valued merchants. We believe this change will have a lasting impact on the logistics industry and we are excited to continue to lead the way," said Junaid Ahmed, vice president for people and culture at ShopUp.

## BASIS team takes part in major IT event in India

STAR BUSINESS REPORT

A 31-member team of the Bangladesh Association of Software and Information Services (BASIS) has recently taken part in Indiasoft 2023, a major IT event in New Delhi where globally renowned 85 information technology companies showcase their services.

During the two-day event held on March 27-28, BASIS members attended many conferences, seminars, workshops and meetings to expand business with different countries, BASIS said in a statement yesterday.

The BASIS delegation was led by Imran Hossen, co-chair of the BASIS web services standing committee and managing director of EyHost Ltd.

The companies across the world exhibited their services in the fair from where BASIS members came to know about the current global business trends, said Hossen.

BASIS President Russell T Ahmed said the association participated in various activities, including bilateral discussions with various countries, to expand IT businesses abroad.

"I believe that through our participation in Indiasoft, business cooperation and opportunities will be created in the ICT sector between Bangladesh and India."

Ahmed hoped participation of BASIS in the fair will help in widening the network among investors and IT professionals of different countries.

## Ceramics sales down



The prices of ceramic items have gone up owing to several factors such as the spike in raw material prices, the US dollar rate, transportation costs, and utility bills. PHOTO: HABIBUR RAHMAN

FROM PAGE B1 Inflation in Bangladesh climbed to 8.78 per cent in February, breaking a five-month declining trend, according to the Bangladesh Bureau of Statistics. It stood at 8.80 per cent in the rural areas.

The demand for ceramic products has also declined in the housing sector as their sales have also fallen. Even, people have put on hold their plans to replace their old sanitary items with new ones, Alam said.

The industry has been facing trouble in opening letters of credit to import necessary raw materials owing to reluctance among banks because of the dollar crisis.

Bangladesh has 61 active ceramics manufacturers. Twenty of them produce tablewares, 25 make tiles, and 16 produce sanitary wares.

The industry produced more than 25.48 crore pieces of tablewares, nearly 21 crore square metres of tiles and over 1.83 crore pieces of sanitary wares in the fiscal year of 2021-22.

Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA), said sales of ceramics products have declined due to a price increase in line with the hike of gas, power and

dollar prices. According to him, the price of tablewares surged by around 30 per cent while the sales have dropped 18 per cent compared to a year earlier.

However, exporters have not been able to adjust the price accordingly since foreign buyers did not want to offer better rates, he said.

Still, the shipment of ceramic products rose 1.8 per cent year-on-year to \$32.3 million in the July-March period of the current financial year, data from the Export Promotion Bureau showed.

"We need an uninterrupted gas supply to tackle the situation. We should be allowed to open LCs to import raw materials," Irfan noted.

Md Mamunur Rashid, additional managing director of X Ceramics Group, says people are grappling with a higher cost of living so they don't have scopes to purchase non-essential items such as ceramics.

Ruslan Nasir, deputy managing director of Mir Ceramic Limited, says the ceramic business is related to the construction industry.

"Since the construction industry itself is now in the slow lane, its impact has fallen on the ceramics sector."

Besides, he said, low pressure of

gas is hampering the production of ceramic products. "Ceramic manufacturing units need full pressure of gas. Otherwise, the quality of products can't be ensured. Owing to the inadequate supply of gas, the ceramics sector is in trouble."

Avenue Sangma, brand manager of Tilotoma Bangla Group, says the housing sector has adopted a cautious approach owing to the ongoing economic uncertainty.

"This has affected the sales of sanitary products and tiles."

The company retails imported bath and spa solutions, wall and floor solutions and modular kitchen solutions in the premium segment.

"Since high end customers are our target clients, the business is slightly better in the premium segment compared to the general segment. But the overall sales in the ceramics sector are not impressive at the moment."

The market size of the local ceramics sector was Tk 7,247 crore in 2021-22, up from Tk 6,024 crore in the previous financial year.

Local manufacturers meet 87.29 per cent of the domestic demand, which has been growing at 12.71 per cent annually on average for the last few years, according to Irfan.

## 5-year project now to take 10 years

FROM PAGE B1 It was revised for a second time, with the cost raised to Tk 460 crore and tenure extended by another two years, meaning by June 2023.

The project was initially taken to train 4.76 lakh farmers, increase production and subsequently reduce fruit imports.

Currently, Bangladesh meets about 60 per cent of its demand for fruits through imports at an annual cost of around \$30 million.

The project also focuses on production of high yielding exotic fruits for export, according to the DAE.

Asked about the time overruns, Md Mehedi Masood, the project director, said the project sought the extra time and budget only for additional components.

Moreover, delays for the pandemic and in land acquisition also hampered the progress of the project, he said.

"We have already completed 91 per cent of our project and already set up 10 horticulture centres across the country," said Masood, also the deputy director of the DAE's horticulture wing.

Contacted, AKM Fazlul Haque, secretary to the agriculture, water resources and rural institutions division of the planning commission, said they received positive feedbacks during the initial implementation phases.

Asked about the time overruns, Haque said on getting the revision proposals, they have scrutinised the project and trimmed the proposed cost and asked to complete the project by June 2025.

"The DAE had sought around Tk 255 crore with some additional components. But we have subtracted some components and reduced its cost by Tk 44 crore," he said.

## India factory activity hits 3-month high

REUTERS, Bengaluru

India's manufacturing sector expanded at its quickest pace in three months in March on improved output and new orders, although firms shed jobs for the first time in over a year, a private business survey showed on Monday.

Overall, the survey supports views that Asia's third-largest economy is better placed than many to weather the impact of a potential global downturn. The Indian economy was forecast to grow 6.9 per cent this fiscal year and 6.0 per cent next.

The Manufacturing Purchasing Managers' Index compiled by S&P Global increased to 56.4 in March from February's 55.3, remaining above the 50-mark threshold that separates growth from contraction for a 21st straight month. It was higher than a Reuters poll forecast of 55.0.

"Underlying demand for Indian goods remained strong in March... Hence, production continued to expand at a robust clip and firms stepped up their stock-building efforts," Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said in a release.

The new orders sub-index, which tracks overall demand, rose last month and foreign demand expanded at a quicker rate from February. Output grew at the strongest pace since December.

However, that improvement did not translate to increased hiring as job market conditions darkened, slipping back into contraction for the first time in 13 months although the pace of job shedding was minimal.

Optimism about future output slipped to an eight-month low due to concerns surrounding competitiveness and general inflation.

While input cost inflation retreated to its second-lowest mark in 2-1/2 years, firms did pass on some of the pressures of greater labour and raw material costs to customers. The output prices sub index rose to 52.0 from 51.8.

That would likely keep retail inflation elevated over the coming months. Inflation was expected to average 6.7 per cent this fiscal year and then slow to 5.2 per cent in the next, remaining above the Reserve Bank of India's 4.0 per cent medium-term target, a Reuters poll showed.

## MoU today

FROM PAGE B1 Bangladesh to Russia in 2015.

Due to the country's sanctions, exports fell from 91,000 tonnes to 40,000 tonnes in the fiscal year 2015-16.

"We have taken the initiative to export potatoes to Russia. Export will begin this year," Razaque said after a meeting with Russian Ambassador Alexander Vikentyevich Mantytskiy at Bangladesh Secretariat recently.

Bangladesh is the seventh largest

producer of the vegetable and it exports less than 100,000 tonnes out of its annual production of nearly 1 crore tonnes, said the ministry.

Bangladesh exported 64,773 tonnes of potato to Saudi Arabia, United Arab Emirates, Myanmar, Nepal, Singapore, Malaysia, Sri Lanka and other countries in fiscal year 2020-21, it said.

Bangladesh exported 80,437 tonnes in 2021-22 and 11,235 tonnes till November this fiscal year, it added.