



Shop owners of nearby markets take away their products after a fire broke out in Bangabazar clothing market in Dhaka yesterday.

PHOTO: REUTERS

‘Couldn’t save anything’
Says apparel retailer of Bangabazar



SUKANTA HALDER

“I could not save a single product from any of my three stores as the fire gutted everything,” said Mohammad Rafiqul Islam Sohag, who operated apparel outlets at the Banga Islamia Super Market in Dhaka’s Gulistan area.

“Now, I don’t know how I will survive,” he added.

Sohag owned shops number 6, 15 and 58 on the ground floor of the market, which was severely damaged by a devastating fire that ripped through Bangabazar Complex yesterday morning.

The 27-year-old businessman was found standing in front his shops, where nothing remained of the Tk 1.5 crore worth of clothes he had hoped to sell for upcoming Eid-ul-Fitr celebrations.

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Bangabazar blaze, a reminder for the need of insurance

SUKANTA HALDER

Hours after a devastating fire tore through Bangabazar Complex in Dhaka’s Gulistan yesterday morning, Abdur Rahman, the owner of an apparel outlet in the area, was found lamenting his losses at the market intersection amid a frantic effort by firefighters to douse the blaze.

The 27-year-old had invested around Tk 15 lakh, of which Tk 8 lakh was borrowed, in hopes of doing good business ahead of the Eid-ul-Fitr celebrations later this month.

However, the fire which started at around 6:00am razed his store to the ground.

“I have lost everything. Both my parents are paralyzed and depend on my income,” Rahman told The Daily Star, adding that he was never before in such financial danger.

Having started his business as a wholesaler of denim pants some three years ago, Rahman was only able to save about Tk 1.5 lakh worth of goods.

In response to a query, the businessman said he would not find himself in this present danger had he insured the shop.

“In fact, I didn’t give insurance much thought before,” he added.

However, Rahman is merely one of around 5,000 shop owners who sell various apparel items for both wholesale and retail buyers to have suffered losses due to the fire at Bangabazar, according to the Ministry of Disaster Management and Relief.

After speaking with 14 other shop owners in the area, it was found that none had any form of insurance even though insurers provide coverage for even the smallest outlet.

It was also found that one shop owner will likely get some form of compensation as he had taken bank loans to cover operating expenses. This is because banks include the provision for insuring loans when approving

disbursals.

Still, the interest among small and medium businesses to insure their property and thereby reduce the risk of losses from incidents such as fire is very low.

“We feel the importance of insurance only after a devastating incident,” said Md Khaled Mamun, managing director of Reliance Insurance Ltd, a leading non-life insurance company in Bangladesh.

He then said that although banks attach the provision for insurance while lending, many small and medium businesses do not continue with the scheme after their loan tenure comes to an end.

Speaking with 15 shop owners in the area, it was found that none had any form of insurance even though insurers provide coverage for even the smallest outlets

Besides, the lack of awareness among general people regarding the risks of being uninsured is a major reason for the poor penetration of insurance schemes such as property insurance.

In addition, not all insurers show interest in providing coverage for small and medium businesses because of their poor risk management standard.

Shops are at high risk of disaster but risk management by market authorities is poor, Mamun said.

So, it appears that 98 per cent of shops in the country do not have any property insurance even though the amount of premium charged is meagre, he added.

And the store owned by Abdul Latif Biplob, another businessman at Bangabazar, is one

of them.

The shop owner could not recover a single string from three of his stores, where he had a total of around Tk 2 crore worth of clothes.

“Nothing is left now. All I had made in life has been burnt to ashes. I don’t have anything else,” said Biplob, who rushed to the spot from a hospital where he was admitted for four days due to illness.

“My shop was not insured. My parents and sisters depend on my income. What should I do now?” he asked helplessly.

Several insurers said insurance coverage had helped dozens of shop owners who suffered losses from a fire at a kitchen market of the Dhaka North City Corporation (DNCC) in Gulshan-1 on March 30, 2019.

They got compensation for insurance taken against their bank loans.

Tarik Ur Rahman, a consultant of the Green Delta Insurance Company Ltd, said he paid insurance benefits to 29 shop owners at the market following the fire, when he was at Pioneer Insurance.

Echoing Mamun of Reliance Insurance, Rahman said there a perception that insurance is a waste of money. As such, the demand for insurance products is low.

Rahman went on to say that they offer special rates for small stores that fall in the small and medium category.

“But shop owners are not interested,” he added.

Sheikh Kabir Hossain, president of the Bangladesh Insurance Association, said affected shop owners will receive compensation if they had any form of coverage against their properties.

He then said insurance coverage is low in Bangladesh and it should increase.

“So, the government should issue a directive to bring everything under insurance,” Hossain added.

Uttara Bank clocks Tk 270cr profit in 2022

STAR BUSINESS REPORT

Uttara Bank Limited clocked a Tk 270.37 crore profit in 2022, up 21.74 per cent from a year earlier.

The private commercial lender made a profit of Tk 222.09 crore in 2021.

Thus, the bank reported consolidated earnings per share of Tk 4.20 for the year that ended on December 31 against Tk 3.45 in 2021.

The consolidated net asset value per share rose to Tk 31.79 from Tk 28.80, while the consolidated net operating cash flow per share was a negative Tk 14.32 in 2022 compared to Tk 0.83 in negative in 2021.

The board of directors of Uttara Bank recommended a 14 per cent cash and 14 per cent stock dividend for the last financial year.

Shares of Uttara Bank closed 3.39 per cent higher at Tk 24.40 on the Dhaka Stock Exchange yesterday.

Paramount Insurance’s profit falls 38% in 2022

STAR BUSINESS REPORT

Paramount Insurance Company Ltd posted a 38 per cent year-on-year decline in profit to Tk 7.60 crore in 2022.

The profit stood at Tk 12.32 crore in 2021.

The insurer thus reported earnings per share of Tk 1.87 for the year that ended on December 31 against Tk 3.03 in 2021.

The net asset value per share of Paramount Insurance stood at Tk 25.81 in 2022 compared to Tk 25.25 in 2021 while the net operating cash flow per share slipped to Tk 3.16 from Tk 4.20 during the same period.

The board of directors recommended a 10 per cent cash dividend for the last financial year.

Paramount Insurance shares closed unchanged at Tk 38.40 on the Dhaka Stock Exchange yesterday.

WB lowers India’s current fiscal year growth forecast

REUTERS, New Delhi

The World Bank on Tuesday lowered its forecast for India’s economic growth in the current fiscal year that started on April 1 to 6.3 per cent from 6.6 per cent as it expects higher borrowing costs to hurt consumption.

To tame inflation, India’s central bank has raised interest rates by 250 basis points since May. “Rising borrowing costs and slower income growth will weigh on private consumption growth,” the World Bank said in a report.

“Government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures.”

The World Bank estimated last fiscal year’s growth at 6.9 per cent.

It projected the current account deficit to narrow to 2.1 per cent of gross domestic product for the current fiscal year from an estimated 3 per cent in the previous year, on the back of robust service exports and a narrowing merchandise trade deficit.

Spillover from recent turmoil in financial markets in the United States and Europe pose a risk to short-term investment flows to emerging markets, including India, said World Bank economist Dhruv Sharma.

“But Indian banks remain well capitalised,” Sharma said.

China reopening boosts growth outlook of developing Asia

ADB says in new report

REUTERS, Manila

Developing Asia will grow faster than previously thought this year, underpinned by a stronger-than-projected rebound in China, but risks from global banking turmoil could weigh on the outlook, the Asian Development Bank (ADB) said on Tuesday.

Developing Asia, which groups together 46 economies in the Asia Pacific, is forecast to grow 4.8 per cent in 2023, the ADB said in its Asian Development Outlook report, more than its previous estimate of 4.6 per cent in December, and following 4.2 per cent growth in 2022.

Driving the region’s growth this year is China’s recovery after it ended its zero-Covid policy in December, with the world’s second-biggest economy seen expanding 5.0 per cent this year, the ADB said, above its earlier estimate of 4.3 per cent.

China’s reopening “is really going to create the strongest kind of support for growth in the region this year,” ADB Chief Economist Albert Park told Reuters.

And while China’s embattled property sector “remains a point of concern”, Park said the upside risks to China’s growth outlook outweigh downside risks.

“If life really returns to normal quickly and confidence comes back, growth could even be higher than 5 per cent which would be obviously even better for the region,” Park said.



People are seen at a flower market in Kunming in China’s southwestern Yunnan province on April 2. China’s reopening “is really going to create the strongest kind of support for growth in the region this year,” said ADB Chief Economist Albert Park.

PHOTO: AFP

India cuts windfall tax on crude oil to zero

REUTERS, New Delhi

India cut its windfall tax on crude oil to zero from 3,500 rupees (\$42.56) a tonne and halved the tax on diesel to 0.5 rupee per litre, a government notification said on Tuesday.

India in July imposed a windfall tax on crude oil producers and on exports of gasoline, diesel and aviation fuel, to encourage private refiners to sell fuel products domestically instead of shipping them overseas to take advantage of robust refining margins in global markets.

The government adjusts the tax rates twice a month according to global crude oil price movements.

The windfall tax on exports of aviation turbine fuel (ATF) and petrol, which had previously been cut to zero, were left unchanged, the notification said.