
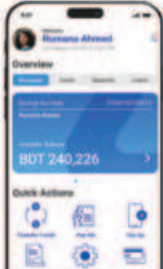



star

BUSINESS


EXPERIENCE
**UNINTERRUPTED
BANKING HOUR**
WITH 
more to you!


Scan to download!

Lowest transit fee set at Tk 589 per tonne for Indian goods

STAR BUSINESS REPORT

Bangladesh will charge at least Tk 589 for the transportation of a tonne of Indian goods to the north-eastern states from the mainland of India through Mongla and Chattogram ports as Dhaka offers regular transit facility to the neighbouring country.

Apart from the transit fee, there would be a charge for using the roads of each kilometre and it would be Tk 1.85 per tonne, according to a gazette of the National Board of Revenue (NBR) issued on Monday.

The document processing fee would be Tk 30, the security charge has been fixed at Tk 100, the administrative fee would be Tk 100, and the transshipment fee has been set at Tk 20 for each tonne in each shipment.

The escort charge for each container, truck, trailer, or covered van would be Tk 85 per kilometre. A certain amount of fees for the electric lock and seal will also be paid, it said.


A 15 per cent value-added tax on the fees will be applied, the NBR added.

Sixteen routes were given the approval for the transit of Indian goods using Mongla and Chattogram ports.


The latest order from the NBR comes after four trials

READ MORE ON B3


AT A GLANCE




Govt sets **\$80b** export target by 2024




Garment's contribution to export still **84.5%**




Govt identifies **14** industries as most priority sectors



18 identified as promising sectors

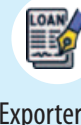


Commerce ministry to write to finance to allow bonded facility to **10** more sectors




Most priority sectors include...
High-value-added denim, man-made fibre, garment accessories, pharma, plastic goods, footwear, leather goods, jute and diversified jute goods, agri-products and processed agro-products, light engineering, software, IT and IT-enabled services and freelancing


PROMISES MADE IN EXPORT POLICY




Exporters to receive loans at reduced interest rates



Rebates in income tax



Support to market goods, explore new markets and attract FDI



Bonded warehouse facilities

Export diversification still in slow lane

REFAYET ULLAH MIRDHA

Bangladesh's plans aimed at diversifying export baskets are yet to bring about the expected results as the priority sectors are not enjoying most of the benefits promised in the Export Policy for 2021-24, according to entrepreneurs.

This means the garment sector continues its domination in the national export basket: apparel shipment accounted for 84.50 per cent of the country's overseas sales in the July-March period of the ongoing financial year.

When the government unveiled the new Export Policy, it identified 14 sectors as the most priority ones considering their immense potential.



The sectors included high-value-added denim items, manmade fibres, garment accessories, pharmaceuticals, plastic goods, footwear (leather and non-leather), leather goods, jute and diversified jute goods, agri-products and processed agro-products, fruits and cut flowers, and light engineering products (auto-parts, bicycles, motorcycles and batteries).

In the services sector, software, informational technology and IT-enabled services, and freelancing have been recognised as the most priority sectors.

Eighteen sectors have been named as special emerging sectors, including electric and

electric goods; ceramic products; value-added frozen foods; printing and packaging; cut and polished diamond and pieces of jewelry; paper and paper products; rubber and rubber products; woollen goods; handicrafts; and lungis and handloom products.

Tourism and architecture engineering and consultancy services have been named as special emerging sectors as well.

When the policy was made public, the government promised a number of financial and other supports for the sectors to facilitate their growth, with a view to enabling them to contribute to more job creation and industrialisation, thus accelerating economic development.

READ MORE ON B3

NBFIs can't get more than one director from a single firm

MD ASADUZ ZAMAN

A single company can't have more than one representative director in the board of a non-bank financial institution (NBFI), said the Bangladesh Bank yesterday.

Similarly, a company that already has a nominated director at a NBFI will not be permitted to appoint another director from its associated company, according to a circular.

In addition, if an individual has a stake in an NBFI, another person can't be appointed as his or her representative to the board.

The move comes as some individuals and entities that have directorship at non-banks are installing their representatives as directors to several NBFIs in order to control them, said a central banker yesterday.

This practice has put an adverse impact on the corporate governance of the NBFI sector, he said.

READ MORE ON B3

STOCKS	
DSEX ▲	CASPI ▲
0.04%	0.05%
6,266.35	18,451.96

COMMODITIES	
Gold ▼	Oil ▼
\$1,996.7	\$76.88
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.28%	▼ 0.71%	▼ 0.08%	▼ 0.02%
60,300.58	28,416.47	3,293.91	3,264.10



Bangladesh climbed 20 notches to 101st in 2023 from 121st in 2018 in the customs category, according to the World Bank's Logistics Performance Index 2023, meaning the country has improved its efficiency in customs management and clearance of goods in ports.

PHOTO: STAR/FILE

Bangladesh up 12 notches in WB logistics index

STAR BUSINESS REPORT

Bangladesh's ranking in the World Bank's Logistics Performance Index (LPI) 2023 has gone up by 12 places, a development that has given an indication that the country's skills in trade and business have improved.

According to the report, Bangladesh's rank in the index of 139 countries has risen to 88 from 100 in 2018.

Bangladesh managed a score of 2.6 on a 5-point scale, helping the country secure third place among five South Asian nations assessed by the World Bank.

India secured the 38th position on the index while Sri Lanka was 72nd and Bhutan 100th. Afghanistan's stood 139th, the last to come after all countries.

Singapore, Finland and Denmark secured the top three positions in the index.

The World Bank's Global Trade and Regional Integration Team in the Trade, Investment, and Competition Group prepared the report, titled "Connecting to Compete 2023: Trade Logistics in an

Uncertain Global Economy".

The seventh edition of the report was released on April 21.

The report presents the latest view on trade logistics performance across 139 countries. Logistics is understood as a network of services that support the physical movement of goods, trade across borders, and commerce within borders.

It comprises transportation, warehousing, brokerage, express delivery, terminal operations, and related data and information management.

The six components of the LPI, unchanged since its launch in 2007, are assessed at the country level on a 5-point scale.

The 2023 LPI survey was conducted from September 6 to November 5 in 2022. It contains 4,090 country assessments by 652 logistics professionals in 115 countries in all World Bank regions.

The multilateral lender prepared the index considering six components. Of them, Bangladesh improved its performance in four categories --

READ MORE ON B3

Banks told to hold hybrid meetings to cut costs

STAR BUSINESS REPORT

Bangladesh Bank yesterday urged banks to hold hybrid meetings, connecting attendees either online or in person according to convenience, to cut operating costs.

The move will also help ensure efficient use of power and fuel, the central bank said in a circular.

Bangladesh Bank came up with the move as a part of the government's austerity measures to cut down costs in different development projects and government spending.

The country is still struggling to meet its energy demand amid the ongoing Russia-Ukraine war while its foreign currency reserve has been depleting.


the human energy company

We produce energy that drives Bangladesh's economic growth

Chevron, the leading American investor in Bangladesh, is proud to fuel the nation's energy security. Currently producing more than half of natural gas and over 80% of the condensate in Bangladesh, we are committed to unlocking the energy potential of the future.

Learn more at <https://bangladesh.chevron.com>

MetLife in Fortune's '100 Best Companies to Work For'

STAR BUSINESS DESK

MetLife has been named in Fortune magazine's 2023 list of "100 Best Companies to Work For".

To determine the list, feedback was surveyed and analysed from over half a million employees from certified companies about their organisation's culture, including key behaviours that drive trust in management, connection with colleagues, and loyalty to the company, said a press release.

"At MetLife, we are committed to fostering a workplace where everyone is heard, valued and feels a sense of belonging, and it's our colleagues who bring this to life each and every day," said Michel Khalaf, president and CEO of MetLife.

"We are proud to be recognised and remain steadfast in our focus on building a purpose-driven and inclusive culture where each employee can reach their full potential," he said.

Mutual Trust Bank wins Global Business Magazine award

STAR BUSINESS DESK

Mutual Trust Bank Limited won a "Best SME Bank Bangladesh 2023" award of Global Business Magazine for its contribution in the development of the cottage, micro, small, and medium enterprise sector in Bangladesh.

The Dubai-based magazine is an online annual source of business and dealmaker intelligence for today's global corporate marketplace, bringing global economic news, insightful analysis, and facts aimed at improving the global economy.

"This award reflects our team's hard work, dedication, and unwavering focus on providing innovative financial solutions and exceptional service to our CMSME customers," Syed Mahbubur Rahman, managing director of the bank, said in a press release.

"It is a significant milestone for us, and we are truly honoured to be recognised as the Best SME Bank in Bangladesh," he said.



Cotton planted from mid-August to mid-October and harvested from mid-February to mid-April are now being sold at different markets and fairs for around Tk 250 per kilogramme. Some 71,883 tonnes were produced on 30,659 acres of land around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken from Katagachhtala area in Barishal's Wazirpur upazila recently.

PHOTO: TITU DAS

DSE turnover hits three-and-a-half-month high

Key index rises for ninth session

STAR BUSINESS REPORT

Turnover of the Dhaka Stock Exchange (DSE) maintained its rising trend yesterday and hit a 3.5 month high of Tk 765 crore.

Meanwhile, the DSEX, the benchmark index of the premier bourse, also went up for the ninth consecutive sessions.

Yesterday, the DSEX advanced 2 points or 0.04 per cent from the previous day to close at 6,266.

The DS30, the blue-chip index, rose 0.01 per cent to 2,213 and the DSES, the shariah-compliant index, increased 0.09 per cent to 1,359.

Of the traded securities, 64 advanced, 72 declined and 212 did not show any price movement.

Turnover, an important indicator of the market, up 7



PHOTO: AI-GENERATED IMAGE

per cent to Tk 765 crore from the previous day's Tk 713 crore.

Yesterday's turnover was the highest since January 1 this year when it hit Tk 904 crore.

Meghna Pet Industries increased the most by 9.96 per

cent followed by Emerald Oil 9.87 per cent, Apex Foods 8.74 per cent, Aftab Automobiles 8.16 per cent and Sonali Aaash Industries 7.52 per cent.

Bangladesh Lamps topped the list of losers by shedding

more than 6.35 per cent.

Yeakin Polymer, Apex Footwear, Khan Brothers PP Woven Bag Industries suffered substantial losses as well.

Unique Hotel was the most-traded stock on the day with its shares worth Tk 61 crore transacted.

Stocks of Eastern Housing, Olympic Industries, Aamra Networks, and Apex Footwear also traded significantly.

The stocks on the Chittagong Stock Exchange also rose today.

The Caspi, the all-share price index of the bourse in the port city, up 10 points, or 0.05 per cent to close at 18,451.

Of the issues, 44 rose, 44 retreated and 72 did not see any price movement.

The port city bourse's turnover, however, declined 12 per cent from the previous day to Tk 9.67 crore.

Khasru becomes DMD of Dhaka Bank

STAR BUSINESS DESK



A senior official of Dhaka Bank Limited has recently been promoted to the post of deputy managing director (DMD).

The promotee, Darashiko Khasru, had been serving the bank as the senior executive vice-president and chief risk officer concurrently, said a press release.

Khasru joined Dhaka Bank on June 3, 1995 and worked in different capacities.

He started his career with AB Bank Limited. He obtained his graduation degree in statistics from the University of Dhaka and did an MBA from a private university.

US default on debt would trigger economic catastrophe: Yellen

REUTERS, Washington

US Treasury Secretary Janet Yellen on Tuesday warned that failure by Congress to raise the government's debt ceiling - and the resulting default - would trigger an "economic catastrophe" that would send interest rates higher for years to come.

Yellen, in remarks prepared for a Washington event with business executives from California, said a default on US debt would result in job losses, while driving household payments on mortgages, auto loans and credit cards higher.

She said it was a "basic responsibility" of Congress to increase or suspend the \$31.4 trillion borrowing cap, warning that a default would threaten the economic progress that the United States has made since the Covid-19 pandemic.

"A default on our debt would produce an economic and financial catastrophe," Yellen told Sacramento Metropolitan Chamber of Commerce members. "A default would raise the cost of borrowing into perpetuity. Future investments would become substantially more costly."

If the debt ceiling is not raised, US businesses will face deteriorating credit markets, and the government will likely be unable to issue payments to military families and seniors who rely on Social Security, she said.

"Congress must vote to raise or suspend the debt limit. It should do so without conditions. And it should not wait until the last minute."

Yellen told lawmakers in January the government could pay its bills only through early June without increasing the limit, which the government hit in January.

Unlike most other developed countries, the US puts a hard limit on how much it can borrow. Because the government spends more than it takes in, lawmakers must periodically raise the debt ceiling.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, and Suhail Shamsi, business development director for South Asia at Ria Money Transfer, attended a remittance festival titled "Islamic Bank-Ria Money Transfer Cash Remittance Festival" held at Islami Bank Tower in Dhaka on Tuesday. Md Siraj Uddin Shah, a client of IBBL Sylhet branch, won the 34th motorcycle of the festival for receiving remittance from Mohammad Sahel Ahmed, a French expatriate. Muhammad Qaisar Ali, additional managing director of the bank, Mohammed Shabbir, deputy managing director, and AKM Nazmul Hossain, country manager of Ria Money Transfer, were present.

PHOTO: ISLAMI BANK BANGLADESH

Despite lower yields, onion farmers happy

FROM PAGE B4

Data of the commerce ministry shows that the annual demand for onion in Bangladesh is above 25 lakh tonnes at present.

A ministry official, seeking anonymity, said there is sufficient local production but almost 25 per cent of the total yield is wasted each year due to the lack of storage facilities, leading to imports.

Md Robiul Haque, additional director of the Pabna, said the government would take a decision regarding onion imports in due time in order to meet domestic demand and keep prices under control.

US consumer confidence falls

WASHINGTON, United States

US consumer confidence fell more than many predicted in April, fueled by a deterioration in expectations among Americans over 55 and households with annual incomes over \$50,000, according to survey data released Tuesday.

The pessimistic results may ease some of the pressure on the Federal Reserve as it prepares to consider raising interest rates for the tenth time in a row next week in order to control rising prices.

The consumer confidence index fell in April to 101.3, down from a revised 104.0 in March, the Conference Board said in a statement. This was below the median forecast in a MarketWatch survey of economists.

Consumers' expectations "fell and remain below the level which often signals a recession looming in the short term," Ataman Ozyildirim, senior director of economics at The Conference Board, said in a statement. "Compared to last month, fewer

households expect business conditions to improve and more expect worsening of conditions in the next six months," he said.

"They also expect fewer jobs to be available over the short term," he added.

Consumer inflation expectations over the next 12 months remain "essentially unchanged" at 6.2 per cent, Ozyildirim said.

In contrast to the pessimistic message on consumer confidence, new home sales in the United States defied expectations to hit a one-year high in March, the Commerce Department said Tuesday, as a lack of existing homes bolstered demand in the market for new properties.

Tuesday's data release comes a week before the Fed meets to decide interest rates amid inflation which remains above its long-term target of two per cent.

In recent weeks, a few members of the Fed's rate-setting committee have suggested that the US central bank should lift its benchmark lending rate next week.

UK targets big tech to boost online consumer rights

AFP, London

Global tech giants could face fines of up to 10 per cent of their annual turnover if a British government bill to protect consumers launched on Tuesday becomes law.

The bill aims to strengthen competition in digital markets and crack down on subscription traps as well as prevent online scams such as fake reviews.

It envisages giving the Competition and Markets Authority (CMA) regulator greater powers to tackle breaches of consumer rights law directly rather than through lengthy court proceedings.

"The reforms will also heighten the consequences for wrongdoers as the CMA and the courts will have the power to impose penalties of up to 10 per cent of global turnover for breaching consumer law," the government said in a statement.

"Today's bill will also enable the government to ban the practice of facilitating fake reviews or advertising consumer reviews without taking reasonable steps to check they are genuine."

"New rules will ensure consumers can exit subscriptions in a straightforward, cost-effective, and timely way and require that businesses issue a reminder to consumers when a free trial or introductory offer is coming to an end."

Other measures include handing the CMA new powers to tackle the "excessive dominance" of a small number of tech firms, which the government said had "stifled innovation and growth across the economy".

A new Digital Markets Unit within

the CMA will be able to intervene to prevent businesses and consumers being "unfairly disadvantaged by the biggest players".

"If a firm is deemed to have strategic market status in key digital services, the DMU will be able to step in to set tailored rules on how they behave and operate," it added.

A threshold for this will apply to firms with a global turnover above £25 billion or a UK turnover above £1 billion.

That potentially puts global tech giants such as Meta, the parent company of Facebook, as well as Google, Amazon, Apple and Microsoft in the firing line.

A Microsoft spokesperson told AFP: "We will be considering the content of the bill and look

forward to engaging with policy makers during its passage through parliament."

Meta said it was not commenting for now, Google, Amazon and Apple did not respond immediately to requests for comment.

A second proposed law -- the Online Safety Bill -- is currently making its way through parliament.

It aims to give internet users and particularly children greater protection from exposure to pornography or harassment.

In the European Union, the Digital Markets Act, which comes into force this year, will also target anti-competitive practices by tech giants and digital services.

It aims to stamp out disinformation and hateful content.



The development puts global tech giants such as Meta, the parent company of Facebook, as well as Google, Amazon, Apple and Microsoft in the firing line.

PHOTO: REUTERS

Karnaphuli Ins sees drop in profit, dividend

STAR BUSINESS REPORT

Karnaphuli Insurance Company logged lower profits and declared lower dividends for its shareholders for the year ended on December 31, 2022.

The insurer declared 10 per cent cash dividend for the year, down from the previous year's 12 per cent.

Its profits dropped over 21 per cent year on year to Tk 8.34 crore in 2022, according to the company's disclosure posted on the website of the Dhaka Stock Exchange (DSE).

The insurance company's earnings per share stood at Tk 1.86 in 2022, which was Tk 2.37 the previous year. The company's net asset value per share was Tk 20.72 on December 31 of 2022.

Rupee scales seven-week peak

REUTERS, Mumbai

The Indian rupee strengthened against the US currency to a seven-week high on Wednesday, tracking Asian peers as the dollar index gave up gains and local equities remained resilient.

The rupee finished at 81.7650 per dollar compared with 81.9125 in the previous session. The currency rose up to 81.6950 during the day, its strongest level since March 6.

Both foreign banks and state-run banks offered dollars at around 81.90, but it was unclear whether it was related to a corporate inflow, two private bank traders said. It's possible that the Reserve Bank of India's absence allowed a further move in the rupee, traders added.

"The rupee is expected to gain further as it has broken 81.80," said Anil Bhansali, head of treasury at Finrex Treasury Advisors, as the currency had found strong resistance near that level recently.



Commercial salt production has reached a 62-year high thanks to favourable weather while market prices for the key cooking ingredient have also increased to Tk 440 per maund (37 kilogrammes) compared to Tk 350 last year.

PHOTO: COLLECTED

Salt production hits historic high

Yet not enough to meet local demand

SUKANTA HALDER and SAJJAD HOSSAIN

Salt farming in Bangladesh has reached the highest level this year since commercial production began in the country six decades ago thanks to favourable weather conditions.

Around 18.39 lakh tonnes have been produced this year and the season is not over yet, according to the Bangladesh Small and Cottage Industries Corporation (BSCIC).

The season runs from November to May and this time a lack of rainfall and favourable weather has resulted in an increase in production, according to farmers.

Commercial salt production began in Cox's Bazar in 1961 and the highest amount produced was 18.32 lakh tonnes in fiscal year 2021-22.

However, this is still not enough to meet the country's demand of around 23 lakh tonnes, according to the BSCIC.

There are approximately 39,467 farmers cultivating salt, an increase of 2,236 from that in the previous year.

In the current season, some 66,424 acres of

Commercial salt production began in Cox's Bazar in 1961 and the highest amount produced was 18.32 lakh tonnes in fiscal year 2021-22. However, this is still not enough to meet the country's demand for around 23 lakh tonnes, according to the BSCIC

land is being used, an increase of 3,133 acres from that in the previous year.

They are in Maheshkhali, Kutubdia, Teknaf, Pekua, and Chakaria upazilas along with Cox's Bazar.

Meanwhile, market prices are good enough to give encouragement to marginal farmers.

Every maund of salt (around 37 kilogrammes) is being sold at Tk 430 to Tk 440. In the previous year, it was around Tk 300 to Tk 350.

Abu Jafar Mohammad Gias Uddin, a salt

farmer of Rajakhali union of Pekua upazila of Cox's Bazar, expressed satisfaction with the price.

Echoing him, Mohammad Shafiq Mia, a salt farmer of Sabrang union in Teknaf upazila of Cox's Bazar, however said the cost of production has increased this year due to an increase in the price of diesel and electricity.

Last season, he cultivated salt on 30 acres of land and this season he increased it to 32 acres of land due to the increase in prices.

This has led to an increase in production by 15 per cent to 20 per cent, he added.

The higher prices have also led to salt workers getting better daily wages. The seasonal workers are said to be receiving Tk 150 per day, which is around Tk 20 to Tk 25 more than last season, according to Mia.

"Last season we assured the farmers that if they produce salt according to demand, the government will not allow anyone to import salt," said BSCIC Chairman Md Mahbubur Rahman.

If the weather remains favourable, it will be possible to produce more than 20 lakh tonnes, he added.

Export diversification

FROM PAGE B1

For instance, the sectors are supposed to receive project loans at reduced interest rates, rebates in income tax, subsidies when it comes to utility bills, and bonded warehouse facilities.

The sectors are expected to get loans at reduced rates and airlines are expected to ship their products on a priority basis. Assistance is to be extended to exporters so that they can market goods, explore new markets and attract foreign direct investment, according to the export policy.

It also said special campaigns will be conducted to raise Bangladesh's exports in Southeast Asian and Latin American nations, while preferential trade agreements will be signed with major trading partners so that the country continues to enjoy duty benefits after it becomes a developing nation from a least-developed country in 2026.

A halal certification authority will be established to tap the opportunities of the \$2-trillion global market for Shariah-compliant products.

MA Razzaque, research director of the Policy Research Institute of Bangladesh, says the export policy is not a legally binding document.

"The government may promise a lot in the policy, but many of the pledges might not translate into reality for various reasons," he said, urging the government to formulate an action plan to execute the policy successfully.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, thinks if the government wants to export \$80 billion worth of goods annually, it needs to diversify products and markets.

"Bangladesh needs to produce hi-tech products like semiconductors to achieve the export goal. This is because a lot of work orders are shifting to other countries from China due to geo-political tensions not only for garment items but also hi-tech products."

The potential of the blue economy needs to be exploited and the bonded warehouse facility needs to be extended to other sectors, he said.

The garment industry enjoys the bonded warehouse facility, which allows apparel manufacturers to import industrial raw materials and capital machinery duty-free to produce products for the western markets.

The government is already looking for alternatives to cash incentives on exports since the country will not

be able to pay direct cash assistance to exporters after graduation, according to officials.

Recently, Senior Commerce Secretary Tapan Kanti Ghosh said the commerce ministry has a plan to write to the finance ministry for bringing at least 10 more sectors under the bonded warehouse facility to give a boost to exports from the upcoming fiscal year.

The commerce ministry also plans to incentivise four high potential sectors, except the garment industry, that have already fetched at least \$1 billion in export earnings.

"The government will continue the cash incentives for eligible sectors up to 2026 so the export industry remains competitive," Ghosh told The Daily Star over the phone.

AHM Ahsan, vice-chairman of the Export Promotion Bureau (EPB), said a lot of tasks have been completed and some are underway.

The issuance of GSP (generalised system of preferences) certificates for the EU markets has been automated and some internal procedures at the EPB have been digitalised as well, he said.

The commerce ministry is lobbying with other countries to sign

free trade agreements (FTAs) and preferential trade agreements (PTAs), according to Ahsan.

"We are hopeful that we will attain our annual export target of \$80 billion at the end of 2024," Ahsan said.

Exporters fetched \$52.08 billion in 2021-22, the highest in the country's history. This was the first-time overseas sales went past the \$50-billion mark.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, said a duty-free facility is given for the import of manmade fibres. "This is a potential sector," he said.

He urged the government to provide a 10 per cent incentive on denim exports to tackle the pressure stemming from the 15.62 per cent duty in the US markets.

Khokon called for issuing orders in line with the export policy so that local exporters benefit from the initiative.

Abdul Kader Khan, a former president of the Bangladesh Garment Accessories and Packaging Manufacturers and Exporters Association, says local accessories makers are capable of meeting almost all the demand in the garment sector.

"And the sector has a lot of potential to grab more global market share."

NBFIs can't get

FROM PAGE B1

The NBFi sector has faced a wide range of scams in recent years, forcing the central bank to take several initiatives to strengthen rules and regulations governing non-banks.

During inspections, the central bank has found that a good number of directors of NBFIs had been involved in siphoning off funds. This led the BB to restructure and dissolve the boards of a number of NBFIs.

As of September 2022, defaulted loans in the NBFi sector stood at Tk 17,372 crore, accounting for 24.61 per cent of the total loans of Tk 70,416 crore, central bank data showed. Defaulted loans stood at around Tk 13,000 crore in 2021.

Talking to The Daily Star, Mominal Islam, managing director of IPDC, one of the largest NBFIs in Bangladesh, says a diversified board is good for ensuring corporate governance. But it is not common in Bangladesh.

Owing to the latest move from the central bank, IPDC would have to face some challenges, said Islam.

On the board of IPDC, there are three directors from Brac and two from the government. Now, two directors from Brac and one from the government will have to resign to comply with the order, he said.

"It will be good for us if we get more time to comply with the instruction."

The BB circular came into effect immediately.

According to Islam, IPDC would have to appoint four directors who don't sit on any other board of an NBFi.

"This will be difficult for us to find qualified directors now," he said, adding that they would talk to the central bank in this regard soon.

There are 35 NBFIs in Bangladesh. Of them, two are fully government-owned, one is the subsidiary of a state-run commercial bank, 19 are private, and 13 are joint ventures.

Bangladesh up

FROM PAGE B1

customs, international shipment, logistics competence and quality, and timeliness.

The country climbed 20 notches to 101st in 2023 from 121st in 2018 in the customs category. This means Bangladesh has improved its efficiency in customs management and clearance of goods in ports.

Bangladesh's performance in timeliness, the component that considers a nation's capacity to send goods to consignees on time, has upgraded to 87th from 107th.

The country's index in

logistics competence and quality has increased to 81st from 102nd while the category of international shipment improved to 91st from 104th.

The nation's business capacity, however, has deteriorated in the two other components – infrastructure, and tracking and tracing.

Bangladesh deteriorated eight notches in infrastructure, which assesses the quality of trade and transport infrastructure, to 108th from 100th.

In the category of tracking and tracing, it lost 26 notches to stand at 105th.

Bangladesh Lamps Limited					
Head office : House-22, Road-4, Block-F, Banani, Dhaka-1213					
3rd Quarterly Financial Statements (January-March 2023)					
STATEMENT OF FINANCIAL POSITION (UN - AUDITED)					
AS AT 31 MARCH 2023					
	As at 31 March 2023	As at 30 June 2022			
	Taka	Taka			
ASSETS					
Non-current assets					
Property, plant and equipment	70,591,545	36,697,424			
Intangible asset	16,593,023	-			
Capital work in progress	7,066,153	-			
Right-of-use asset (ROU)	106,644,835	116,965,297			
Investments:					
At cost	88,527,133	88,527,133			
Fair value adjustment	514,990,400	548,276,869			
	603,517,533	636,804,002			
Loans and deposits	4,677,597	4,902,893			
Total non-current assets	809,090,686	795,369,616			
Current assets					
Inventories	435,331,806	494,847,967			
Trade and other receivables	105,471,479	67,666,931			
Advance, deposit and prepayments	53,782,127	60,349,162			
Advance income tax	362,931,642	326,364,582			
Cash and cash equivalent	148,378,807	315,862,822			
Total current assets	1,105,895,861	1,265,091,464			
TOTAL ASSETS	1,914,986,547	2,060,461,080			
EQUITY & LIABILITIES					
Capital and reserves					
Share capital	100,265,500	93,706,080			
Reserves and surplus	714,369,480	758,916,445			
Shareholders' equity	814,634,980	852,622,525			
Non-current liabilities					
Deferred liability - gratuity payable	24,933,055	20,752,800			
Deferred tax liability	43,050,381	46,855,548			
Lease liabilities- Net off current portion	94,517,389	102,087,747			
Total non-current liabilities	162,500,825	169,696,095			
Current liabilities					
Lease liabilities- Current portion	20,400,000	20,400,000			
Short term finance	541,024,251	668,066,546			
Trade and other payables	141,146,581	127,812,271			
Other liabilities	37,882,328	32,754,244			
Unclaimed dividend	1,053,636	1,728,699			
Provision for tax	196,343,946	187,380,700			
Total current liabilities	937,850,742	1,038,142,460			
TOTAL EQUITY & LIABILITIES	1,914,986,547	2,060,461,080			

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN - AUDITED)					
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2023					
	1 July 2022 to 31 March 2023	1 July 2021 to 31 March 2022	1 January to 31 March 2022	1 January to 31 March 2022	
	Taka	Taka	Taka	Taka	
Revenue	1,344,929,747	1,305,761,483	393,393,000	412,772,128	
Cost of sales	(1,025,908,875)	(879,281,191)	(312,718,046)	(313,085,851)	
Gross profit	318,020,872	426,480,292	81,674,954	100,686,277	
Other income	4,408,341	1,513,849	1,369,389	-	
Operating expenses	(284,904,467)	(309,827,738)	(86,797,853)	(77,880,830)	
Profit before non finance cost	38,524,746	118,166,413	(3,761,610)	23,000,446	
Finance cost	(10,601,833)	(14,944,837)	(16,981,176)	(16,441,036)	
Finance income	12,546,238	6,295,789	3,640,446	3,181,835	
Net finance cost	(8,055,595)	(8,649,048)	(13,340,730)	(13,259,201)	
Profit before contribution to workers' participation fund & welfare fund	29,469,151	109,517,365	(20,321,666)	9,751,245	
Contribution to workers' participation fund & welfare fund	(958,911)	(4,027,747)	(1,241,101)	(1,104,007)	
Income tax	38,588,299	89,345,381	(4,882,007)	21,884,887	
Current tax	(8,061,247)	(10,030,808)	(2,890,397)	(3,592,337)	
Deferred tax	476,571	(7,981,313)	(187,606)	(178,512)	
Net profit for the period	30,712,464	91,505,545	(25,349,809)	15,939,808	
Other comprehensive income/(loss)	-	-	-	-	
Changes in fair value of shares available for sale	(13,306,463)	(7,044,308)	(3,648,465)	(61,713,139)	
Deferred tax income/(expense)	5,138,495	7,941,013	960,846	6,771,354	
Net other comprehensive income/(loss)	(8,167,968)	(8,883,295)	(2,687,619)	(54,941,785)	
Total comprehensive income/(loss)	22,544,496	82,622,250	(28,037,424)	(38,901,977)	
Restated earnings per share (year value Tk. 10 each)	1.87	5.66	(2.31)	1.33	

STATEMENT OF CASH FLOWS (UN-AUDITED)			
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2023			
	1 July 2022 to 31 March 2023	1 July 2021 to 31 March 2022	
	Taka	Taka	
A. Cash flows from operating activities			
Collection from customers	1,529,780,465	1,358,896,200	
Payment to suppliers	(863,832,617)	(783,014,952)	
Payment to employees	(160,769,512)	(157,902,364)	
Payment for services received	(141,388,091)	(129,814,276)	
Cash payment of VAT	(221,535,029)	(196,263,109)	
Contribution to provident fund	(1,449,061)	(1,692,078)	
	140,806,155	90,209,421	
Cost recovery	-	88,596	
Interest paid	(40,153,907)	(12,015,122)	
Income tax paid	(36,567,060)	(31,858,828)	
	64,085,188	46,424,067	
B. Cash flows from investing activities			
Dividend received	1,427,952	3,427,253	
Payment for acquisition of property, plant and equipment & intangible assets	(73,027,826)	(13,961,460)	
	(71,599,874)	(12,534,207)	
C. Cash flows from financing activities			
Payment of lease liability- Principal portion	(7,570,358)	(5,746,805)	
Dividend paid	(18,784,940)	(30,300,406)	
	(26,355,298)	(36,047,301)	
D. Effect of exchange rate changes in cash and cash equivalent			
	(6,571,736)	(5,676,546)	
E. Net cash inflows/(outflows) for the period (A+B+C+D)			
	(40,441,720)	(7,833,987)	
F. Opening cash and cash equivalents			
Cash and cash equivalents	(352,203,724)	(260,212,729)	
Short term finance	315,862,822	157,744,350	
	(668,066,546)	(417,957,079)	
G. Closing cash and cash equivalents (E+F)			
Cash and cash equivalents	(392,645,444)	(268,046,716)	
Short term finance	148,378,807	363,483,648	
	(541,024,251)	(629,530,364)	

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)					
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2023					
	Share Capital	Capital Reserve	General Reserve	Fair value Reserve	Retained Earnings
	Taka	Taka	Taka	Taka	Taka
Balance as at 1 July 2022	93,706,080	2,305,367	180,895,763	493,449,382	82,946,933
Contribution of cash dividend	-	-	-	-	(16,741,218)
Stock dividend (2022-2023)	6,559,420	-	-	-	96,788,408
Transfer to general reserve	-	-	38,065,692	-	(36,065,692)
Net profit for the period	-	-	-	-	10,711,464
Other comprehensive income/(loss)	-	-	-	(25,957,825)	(25,957,825)
Balance as at 31 March 2023	100,265,500	2,305,367	227,861,454	467,491,557	167,713,500
Balance as at 1 July 2022	93,706,080	2,305,367	151,881,549	596,056,237	47,761,434
Distribution of cash dividend	-	-	-	-	(16,741,218)
Transfer to general reserve	-	-	29,014,218	-	(29,014,218)
Net profit for the period	-	-	-	-	56,737,408
Other comprehensive income/(loss)	-	-	-	(63,386,417)	(63,386,417)
Balance as at 31 March 2022	93,706,080	2,305,367	180,895,763	532,669,820	84,367,207

COMPARATIVE STATEMENT FOR INFORMATION OF THE SHAREHOLDERS			
FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2023			
	2023	2022	
	Taka	Taka	
Restated earnings per share (EPS)	1.07	5.66	
Restated net assets value per share (NAVPS)	81.25	86.38	
Restated net operating cash flow per share (NOCFPS)	6.39	4.63	
			
			
			
Company Secretary	Chief Financial Officer	Director	
			
			
Director	Managing Director & CEO		
The detail of the published quarterly financial statements is available in the website of Bangladesh Lamps Limited. The address of the website is www.blil.com.bd			

UCB saw 32% rise in profit in 2022

STAR BUSINESS REPORT

United Commercial Bank Ltd reported a 32 per cent increase in profit to Tk 330.47 crore in 2022.

The profit stood at Tk 250.31 crore in 2021.

The private commercial bank reported consolidated earnings per share of Tk 2.35 for 2022, which was Tk 1.78 in 2021.

The consolidated net asset value per share rose to Tk 28.57 in the last financial year from Tk 26.59 in 2021.

The consolidated net operating cash flow per share stood at Tk 13.25 negative in 2022. It was Tk 16.85 negative a year earlier.

The board of directors has recommended a 5 per cent cash and a 5 per cent stock dividend for the year that ended on December 31.

Shares of UCB were unchanged at Tk 13 on the Dhaka Stock Exchange yesterday.

First Security Islami Bank made Tk 293cr profit in 2022

STAR BUSINESS REPORT

First Security Islami Bank Limited's profit declined 12.18 per cent year-on-year to Tk 293.93 crore in 2022.

The Shariah-based bank made a profit of Tk 334.72 in 2021.

The company reported consolidated earnings per share of Tk 2.81 in 2022 against Tk 3.20 in 2021.

The consolidated net asset value per share improved to Tk 21.32 in the last financial year from Tk 19.45 a year ago, while the consolidated net operating cash flow per share slipped to Tk 4.20 from Tk 5.81 during the period.

The board of directors has recommended a 10 per cent stock dividend for the year that ended on December 31.

First Security Islami Bank's shares traded at Tk 9.80 on the Dhaka Stock Exchange yesterday, unchanged from a day earlier.



Although fresh onions have hit the market, farmers have been left dismayed by reduced yields due to poor weather during the cultivating period in winter earlier this year. The picture was taken from Pushpapara haat in Pabna, an onion wholesale hub. PHOTO: AHMED HUMAYUN KABIR TOPU

Despite lower yields, onion farmers happy as prices rise

AHMED HUMAYUN KABIR TOPU, Pabna

Onion prices have been rising following the Eid-ul-Fitr vacation, bringing hope to farmers across Bangladesh who registered lower yields of the crop due to poor weather during winter this year.

Besides, local traders claim that reduced production will result in increased imports to meet demand.

Onion yields typically exceed 14.17 tonnes per hectare but production fell to about 13.60 tonnes this year due to bad weather during the cultivating period, according to the Department of Agricultural Extension (DAE).

Some 2.57 lakh hectares of land were brought under onion cultivation to produce 36.40 lakh tonnes of the crop in winter last year, said Md Robiul Haque Mojumder, an additional director of the DAE.

Around 2.47 lakh hectares were brought under onion cultivation at the same time this fiscal year (2022-23) with 2.20 lakh hectares having been harvested to get 30 lakh tonnes of the crop as of last week.

"Onion production has been badly affected by bad weather as the winter was short while not much water was available in the fields when needed," he added.

Mojumder went on to say that despite the lower production of onions during the cold season,



cultivation of the crop in summer has expanded.

Summer onions were cultivated on 4,009 hectares of land to produce 73,600 tonnes of the bulb last year while the acreage has risen to 5,100 hectares to produce 75,000 tonnes this year.

Md Montu Khan, an onion farmer of Ulat village in Sujanagar upazila of Pabna, the biggest producing region, said he cultivated eight bighas of the crop this year with four bighas having been sown during winter.

The onion that was cultivated early yielded 45 maunds (roughly 37 kilogrammes) per bigha while that was cultivated late yielded just 20 maunds per bigha.

Khan then said he produced over 400 maunds of onion last year while he was unable to get

more than 250 maunds of the crop this year due to bad weather.

He completed harvesting the bulbs in mid-April but was left worried by the poor prices on offer at the time.

"Each maund of onion was sold for Tk 1,200 at wholesale during the harvesting period last month, which was too low to even cover production costs," Khan said.

"But after Eid vacation, the onion price has been increasing with each maund currently selling at Tk 1,450 to Tk 1,650," he added.

Md Kamruzzaman, a leading onion producer of Durgapur village in Sujanagar upazila, said he cultivated 80 bighas of onion this year but production has been poor compared to last year.

"I got up to 4,500 maunds of

onion from the same amount of land last year while it was just 2,500 maunds this year," he added.

Kamruzzaman went on to say that it costs about Tk 40,000 to cultivate each bigha of onion and so, they are happy about the rising prices considering the massive fall in production.

With this backdrop, he urged those concerned to not import onion at the moment.

Md Idris Ali, a development officer of the Pabna DAE, said a total of 7.37 lakh tonnes of onion were produced from 52,470 hectares of land in Pabna this year, indicating an average yield of 14.05 tonnes per hectare.

Last year, 7.97 lakh tonnes of onion were produced from 53,315 hectares of land in the district at an average of 14.95 tonnes per hectare.

At least 25 per cent of the onion production in Bangladesh comes from Pabna so any fall in production in the district badly affects supply across the country, he added.

Md Robiul Islam, an onion wholesaler, said local production does not meet the country's annual demand and so, imports are necessary for controlling the market.

"The demand for onion has been increasing since Eid-ul-Fitr and so too have the prices. The trend will likely continue until imports reach local wholesale markets," he added.

READ MORE ON B2

Stock market investment tips for beginners

M SHAHRIAR AZAD BHUIYAN

Investing in the capital market of Bangladesh is always tricky and requires better planning to achieve a positive return. Without a solid understanding of the market, it may be difficult to make a profit.

Initially, it would be better to start investing through IPO (initial public offering) subscriptions before moving on to the secondary market. Here are some investment tips for beginners interested in investing in the capital market:

Start with a solid understanding of the stock market

Before investing, it's essential to educate yourself on how the stock market works, including the various financial instruments, investment strategies, and risk management techniques. This will help you make informed decisions and avoid costly mistakes in future.

Set your investment goals

First, determine your investment objectives. It is important to understand what you are expecting when investing in a stock. It may be short-term or even long-term. What will be your strategy if your expected return exceeds?

Second, your risk tolerance—the capacity to take the stop loss in case of day trading – showed be looked into. This will help you determine the appropriate investment strategy and asset allocation.

Diversify your portfolio

Spread your investments across a variety of assets and sectors to minimise your risk exposure. This will help you balance your portfolio and reduce the impact of any single investment's performance.

Invest in the long term

The stock market is volatile and short-term fluctuations are normal. Invest in the long term to reduce the impact of short-term market fluctuations on your portfolio.

Don't time the market

Trying to time the market is a risky strategy. Instead, focus on buying quality stocks at reasonable prices and holding them long-term.

Keep an eye on the credibility of brokerage house and transactions fees

It is always wise to open a beneficiary owner (BO) account with a reputed brokerage house for your investment's long-term safety and to avoid any type of scams. Similarly, be aware of the costs associated with investing, such as brokerage fees, interest rates and account maintenance fees. These fees can eat into your returns over time.

Tax rebates while investing

Investors in Bangladesh's capital market can benefit from tax incentives such as exemption from capital gains tax. This implies that investors will not have to pay taxes on profits earned from the sale of shares held for more than 12 months.

The government also provides tax rebates to encourage investment in the capital market. Investors can claim a rebate of up to 15 per cent of their investment in the capital market in their tax file. Additionally, there is a provision for tax exemption on dividend income from listed companies of up to Tk 50,000 per year for individual taxpayers.

Monitor your portfolio

Keep an eye on your investments regularly and adjust your portfolio as needed to ensure that you are on track to achieve your investment goals.

Remember, investing in the stock market carries risks and returns are not guaranteed. It's better to always consult with a financial adviser before making any investment decisions.

The author is the head of operations and compliance at UniCap Securities Limited. He can be reached at shahriar@unicap-securities.com

Demand for electric cars 'booming': IEA

AFP, Paris

Sales of electric vehicles are booming and are expected to account for nearly one in five cars sold this year, according to a report released Wednesday.

The International Energy Agency (IEA) said the rapid electrification of road transportation will have big implications for the energy industry as it will eliminate the need for five million barrels of oil per day by the end of the decade.

World oil consumption averages just over 100 million barrels per day.

"Electric vehicles are one of the driving forces in the new global energy economy that is rapidly emerging – and they are bringing about a historic transformation of the car manufacturing industry worldwide," IEA Executive Director Fatih Birol said in a statement.

In its annual report on electric vehicles, the IEA said it expects annual sales to rise 35 per cent this year to reach 14 million.

It projected that to be a market share of 18 per cent, up from four per cent in 2020.

The IEA said the overwhelming majority of electric car sales are concentrated in three markets: China, Europe and the United States.

China is in pole position, accounting for 60 per cent of global electric vehicle sales last year, the IEA said.

It said measures such as the Inflation Reduction Act in the United States, which offers generous subsidies to consumers to switch to electric vehicles, would further boost sales in the coming years.

The IEA forecasts that the average share of electric cars in total sales across China, the EU and the United States is set to rise to around 60 per cent by 2030.



Employees of German car producer Porsche AG work on Porsche Taycan electric sports cars at the assembly line of the Porsche production site in Stuttgart, southwestern Germany. Electric vehicles are one of the driving forces in the new global energy economy that is rapidly emerging and they are bringing about a historic transformation of the car manufacturing industry worldwide, IEA Executive Director Fatih Birol said. PHOTO: AFP/FILE

Agricultural, cereal, export prices up globally

WB report shows

STAR BUSINESS REPORT

Agricultural, cereal, and export price indices closed 3 per cent, 2 per cent, and 8 per cent higher respectively in the two weeks since April 6, World Bank's Food Security Update showed.

The hike in the export price index was driven by a rise in coffee prices, which rose 11 per cent. Among the cereals, maize prices were up 4 per cent, wheat prices closed 1 per cent lower, while rice prices closed at the same level compared to two weeks ago.

On a year-on-year basis, maize and wheat prices were 14 per cent and 36 per cent lower, respectively, while rice prices were 16 per cent higher.

Compared to January 2021, maize and wheat prices were 31 per cent and 6 per cent higher respectively, while rice prices were 4 per cent lower, according to the Food Security Update.