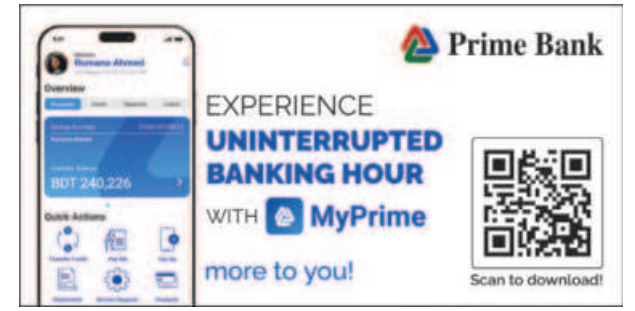


Star BUSINESS



Budget to be placed on Jun 1

Size about Tk 7.59 lakh crore

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal is scheduled to present the national budget for fiscal year 2023-24 on June 1.

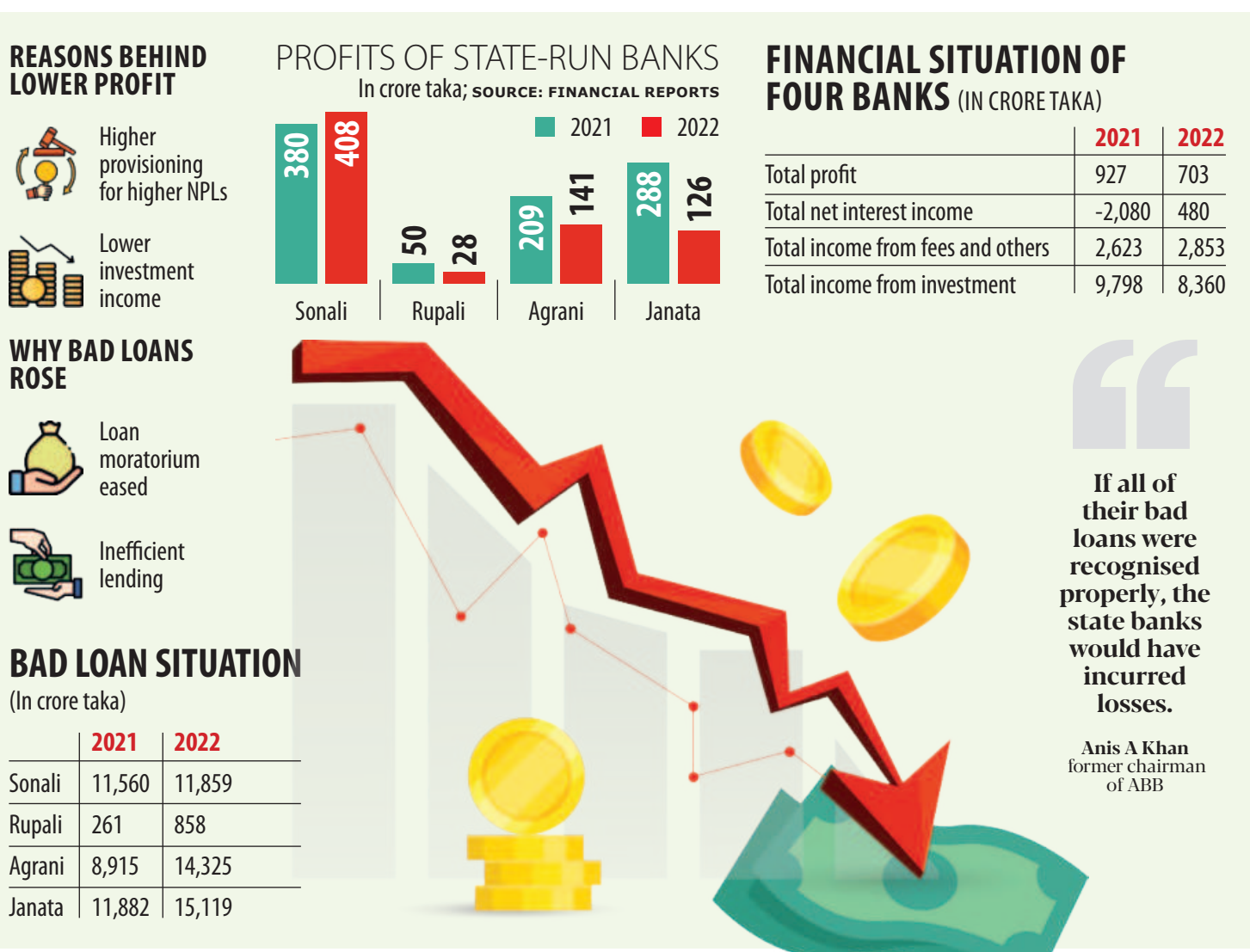
The finance division published a document yesterday as a part of the preparation for the next national budget.

In the document, responsibilities on budget day have also been defined so that everyone can do their respective works smoothly.

This year the budget will be presented earlier than the previous occasions because of the Eid-ul-Azha, one of the largest religious festivals for Muslims.

The government wants to finish the next national budget before the vacation of Eid-ul-Azha, officials of the ministry said.

READ MORE ON B2



Forex reserves fall to \$29.77b after ACU payments

STAR BUSINESS REPORT

The country's foreign exchange reserves have fallen to \$29.77 billion as Bangladesh Bank cleared import bills to the tune of \$1.18 billion through Asian Clearing Union (ACU).

The reserves stood at \$42.20 billion in May last year, meaning that the amount decreased by 29.45 per cent over the past year, showed central bank data.

With Bangladesh Bank having made the payment to the ACU last week, the funds were adjusted from the country's foreign exchange reserves on Sunday.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said neither the central bank nor government took effective measures in recent times, which was why the reserves have been declining.

He fears that the reserves may drop further in the days ahead as the central bank's upcoming policies, which may be declared in its next monetary policy in July, would not be able to bring a halt to the downward trend.

The reserves stood at \$42.20 billion in May last year, meaning that the amount decreased by 29.45 per cent over the past year, showed central bank data

Unions for Tk 23,000 minimum wage for RMG sector

REFAYET ULLAH MIRDHA

The first meeting of a newly formed wage board for garment workers is scheduled to be held on May 24 on a proposal of major trade unions for offering workers a minimum monthly payment of Tk 23,000.

The amount has been proposed considering the needs of a four-member family alongside other major factors such as the current high inflationary pressure, house rent, medical allowance, transport costs and the overall cost of living.

It is very difficult to run a family below the proposed amount as inflation is high, said Amirul Haque Amin, president of National Garment Workers Federation.

This amount is logical also the value of the US dollar has increased since the last wage board for the garment workers was formed in December 2018, he said.

READ MORE ON B3

Bad loans pile up at state banks, eating away profits

AHSAN HABIB

Four state-run commercial banks registered 29 per cent year-on-year spike in bad loans in 2022 as the central bank's relaxed classification rules introduced in the wake of the Covid-19 outbreak ended and their inefficient lending persisted.

This forced Sonali, Janata, Agrani and Rupali banks to set aside higher provisions. As a result, their collective profits declined more than 24 per cent to Tk 703 crore last year.

The bad loans at the four banks surged to Tk 42,161 crore last year from Tk 32,618 crore a year ago, according to their financial statements. The loan loss provision, an income statement expense set aside as an allowance for uncollected loans and loan payments, rocketed 35 per cent to Tk 3,543 crore.

"Defaulters are getting policy support in various ways, including the increase in the number of installments, the extension of the repayment period and the waiver of interest. So, many borrowers don't bother about repaying loans to the state-run banks," said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

On March 19 of 2020, less than

two weeks after the government first reported the country's maiden coronavirus cases, the Bangladesh Bank asked lenders not to consider businesspeople as defaulters even if they fail to repay instalments until June 30 that year. The facility was

extended several times and was in place even in 2022.

As part of the relaxed loan classification, the repayment period for defaulted loans was increased to eight years from two years. The down payment requirement for rescheduling was lowered to as little as 2.5 per cent. Non-performing loans can be rescheduled up to four times, said the World Bank last month.

The largest lender in Bangladesh, Sonali Bank's bad loans rose 2.58 per cent year-on-year to Tk 11,859 crore in 2022.

The volume represented 14 per cent of its total loans.

Substandard loans increased 132 per cent to Tk 519 crore. However, the doubtful loans fell 2 per cent to Tk 165 crore. Provisions against the bad assets were 5.9 per cent higher at Tk 1,644 crore.

Based on the classification status, banks have to maintain 50 per cent in provision for doubtful loans and 100 per cent for bad loans.

On the back of higher net interest income and commission and charges income, Sonali's profits rose 7.36 per cent to Tk 408 crore.

A top official of a state-run bank said borrowers enjoyed the moratorium on loan classification in 2020 and 2021 and the facility continued in 2022, albeit in less

relaxed form. So, the bad loans rose.

The situation was also dire at Agrani Bank whose profits slumped due to the higher bad loans and lower investment incomes and income from commissions and charges.

Agrani's profits fell 32 per cent to Tk 141 crore in 2022. Bad loans surged 60 per cent to Tk 14,325 crore.

Substandard loans increased 13 per cent to Tk 799 crore while doubtful loans dropped 25 per cent to Tk 273 crore.

Salehuddin Ahmed, a former governor of the central bank, said the lending rate of the state-run banks was lower compared to private banks, so their profits were lower compared to their portfolio.

"On the other hand, the volume of bad loans is increasing at a higher rate at the state banks as they lack professional management."

Janata Bank's profits tumbled 56 per cent to Tk 126 crore last year. Bad loans increased 27 per cent to Tk 15,119 crore.

Its substandard loans dropped 87 per cent to Tk 41 crore while doubtful loans fell 70 per cent to Tk 36 crore.

READ MORE ON B2



STOCKS	
DSEX ▼	CASPI ▼
0.12%	0.04%
6,261.62	18,474.87

COMMODITIES	
Gold ▲	Oil ▲
\$2,022.69	\$73.32
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.16%	▼ 0.71%	▼ 0.27%	▲ 1.81%
61,764.25	28,949.88	3,257.66	3,395.00



Mohammad Shamsheer Ali Sheikh, a farmer in the Laxmipur village under Rajbari sadar upazila, and one of his workers weed out comparatively smaller jute plants from his field owing to the high density of the crop. The 60-year-old grower has so far spent Tk 6,000 to grow the crop on 30 decimals of land and he may have to spend another Tk 4,000. He expects to collect seven to eight maunds of jute, which is selling for Tk 2,600 to Tk 3,100 per maund in the local market. The photo was taken on Friday.

PHOTO: SUZIT KUMAR DAS

Tax collection growth halves in March

STAR BUSINESS REPORT

Revenue collection growth reduced by half in March this year from a year ago, suffered by decline in income and customs tax receipts amid falling corporate earnings and a downturn in imports, which analysts say is likely to weigh on the government's budget spending, especially for development.

Value added tax (VAT), the biggest source of revenue for the state, was the only saviour that helped the National Board of Revenue (NBR) log 4.3 per cent higher growth in overall revenue to Tk 29,473 crore in March from Tk 28,254 crore a year ago, according to preliminary data released by the NBR yesterday.

Collection from VAT, an indirect tax paid by consumers, soared nearly 18 per cent year-on-year to Tk 10,501 crore in March.

On the other hand, income tax collection decreased 2.8 per cent year-on-year. In March, taxmen logged Tk 10,648 crore, down from Tk 10,958 crore a year ago.

Customs duty collection from imported items declined 1.37 per cent year-on-year to Tk 8,182 crore this March.

Including March's collection, the NBR's total receipts stood at Tk 225,513 crore in the first nine months of the current fiscal year beginning from July 2022.

The amount was 8.3 per cent higher from the same period a year ago, when the NBR posted more than 14 per cent year-on-year growth.

READ MORE ON B2

Google, Facebook to face 15% tax on digital ad income

STAR BUSINESS REPORT

Global tech giants such as Google and Facebook will face 15 per cent withholding tax deduction from payments made by local companies against advertisements given in the digital sphere, said the National Board of Revenue (NBR).

And in case of payments made to foreign television channel and radio stations for advertisements of their products broadcasted in foreign television channels and radios, 20 per cent withholding tax should be deducted by banks, said the tax authority in a clarification to Bangladesh Bank.

The NBR issued the clarification in response to a query by the central bank in March this year regarding

READ MORE ON B2

Brac Bank rated 'AAA' again

STAR BUSINESS DESK

Brac Bank again got the highest credit rating "AAA" by the Credit Rating Agency of Bangladesh (CRAB) for showing its solid financial strength and stability.

CRAB has reaffirmed "AAA" for long-term and ST-1 for the short-term with "Stable" outlook for Brac Bank, said a press release.

This latest credit rating will be valid till June 30, 2024.

"This unique achievement has resulted from the bank's continuous efforts towards improving and maintaining an industry-above capital base, better asset quality, exemplary corporate governance and superior liquidity position," said Selim RF Hussain, managing director of the bank.

The agency first assigned "AAA" to Brac Bank earlier in 2022.



Bangladesh exported apparel items worth \$9.01 billion to the US in the fiscal year of 2021-22, registering 51.57 per cent year-on-year growth.

PHOTO: STAR/FILE

Euro zone investor morale dips unexpectedly

REUTERS, Berlin

Investor morale in the euro zone took a surprising dip in May, with stubborn inflation and energy concerns upending expectations of a spring recovery, a survey showed on Monday.

Sentix's index for the euro zone fell to -13.1 points for May from -8.7 in April. Analysts polled by Reuters had expected it to rise to -8.0 this month.

The index on expectations in particular took a fall, decreasing to -19.0 in May from -13.0 in April, its lowest level since December 2022, "wiping out all hopes of an economic revival following the outbreak of the Ukraine war", Sentix said.

The barometer plunged into negative territory in the wake of Russia's invasion last February.

China's exports seen rising in April

REUTERS, Beijing

China's exports were expected to have risen again in April, albeit at a less robust pace than a month earlier, a Reuters poll showed, supported by unfulfilled orders after last year's Covid disruptions though slowing global growth is darkening the outlook.

Outbound shipments last month from the world's second largest economy is expected to show growth of 8.0 per cent year-on-year, following an unexpected surge of 14.8 per cent in March, according to the median forecast of 27 economists in the poll finalised on Monday.

Imports are still expected to paint a less favourable picture of the overall economy, with economists predicting no growth, similar to April, 2022, after falling by 1.4 per cent year-on-year in March.

The trade data will be released on Tuesday.

With many of China's major trade partners on the brink of recession, analysts remain wary about the outlook, noting that the stunning improvement in March partly reflects suppliers catching up with unfulfilled orders from last year's Covid disruptions.

The cautious stance was backed by the recent official manufacturing purchasing managers' index for April showing new export orders contracting sharply and underlining the challenge facing Chinese policymakers and businesses hoping for a robust post-Covid economic recovery.

"We believe March's 14.8 per cent year on year growth is unsustainable and monthly export growth may drop to low single digit or even into negative territory again," Ting Lu, chief China economist at Nomura, wrote in a note, citing a slowing global economy and rising geopolitical tensions.

South Korean exports to China, a leading indicator of China's imports, were down 26.5 per cent in April, continuing 10 consecutive months of decline.

Offer duty-free access to RMG made of US cotton

BGMEA again urges US

STAR BUSINESS REPORT

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has again requested the US government to allow duty-free access to garments made from cotton imported from the United States.

"The move will benefit both Bangladeshi RMG exporters and US cotton growers, thus creating a win-win situation," said BGMEA President Faruque Hassan in a meeting with US Ambassador to Bangladesh Peter Haas at the BGMEA office in Dhaka on Sunday.

Faruque also sought cooperation from the US in making the process of importing cotton from the country easier, according to a statement from the association.

The US is the single largest export destination for Bangladesh. In the fiscal year of 2021-22, Bangladesh exported apparel items worth \$9.01 billion to the country, registering 51.57 per cent year-on-year growth.

Apparel products imported from Bangladesh are subjected to a 15.62 per cent tariff in the US market.

The US does not allow duty-free access for apparel items sourced from any country in the world, sans those from certain African countries covered by the African Growth and Opportunity Act.

Faruque also informed Haas about the BGMEA's initiative aimed at organising the Bangladesh Apparel Summit in the US in October 2023 and requested him to extend support to this effect.

In the meeting, Haas praised the RMG industry of Bangladesh for its huge progress in ensuring workplace safety and workers' rights and welfare.

The ambassador also stressed the importance of building on the accomplishments and expressed his hope that the garment industry would continue its development initiatives in the coming days, said the press release.

Unilever Consumer Care's profit rises 17%

STAR BUSINESS REPORT

Unilever Consumer Care Ltd (UCL), the maker of Horlicks, said its profit soared 17 per cent in the first three months of this year despite the consumer goods company recorded a fall in sales.

The UCL logged Tk 20.13 crore in profits in January-March this year up from Tk 17.26 crore a year ago.

The earnings per share (EPS) of the company, a part of Unilever's group of companies, rose to Tk 16.72 in the first quarter of this year from Tk 14.33 the same period a year ago.

"Despite significant increase in raw and packing material costs, EPS shows an improvement mainly due to efficiency in operating expenses, increased finance income as well as one-off benefit coming

The earnings per share (EPS) of the company, a part of Unilever's group of companies, rose to Tk 16.72 in the first quarter of this year from Tk 14.33 the same period a year ago

out of assessment of past liabilities and obligation in the light of current business development," the UCL said.

The UCL posted spike in its net asset value during the quarter resulted from the improved profitability.

The company cut its operating expenses by 23 per cent year-on-year in January-March quarter of 2023.

It, however, said its net operating cash flow per share (NOCFPS) plummeted 80 per cent year-on-year to Tk 6.21 in the first quarter of this financial year.

"The decrease in NOCFPS is mainly due to significant increase in raw and packing material prices along with significant increase in foreign exchange rate partly offset by efficiency in operating expense," said Unilever.

UCL reported a profit of Tk 73.05 crore in the financial year that ended on December 31, up 38.45 per cent year-on-year, the company said.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAY 8, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	5.47 ↑
Coarse rice (kg)	Tk 46-Tk 50	0	6.67 ↑
Loose flour (kg)	Tk 55-Tk 58	0	48.68 ↑
Lentil (kg)	Tk 90-Tk 100	-2.56 ↓	-7.32 ↓
Soybean (litre)	Tk 170-Tk 180	2.04 ↑	-3.31 ↓
Potato (kg)	Tk 35-Tk 40	59.57 ↑	108.33 ↑
Onion (kg)	Tk 50-Tk 60	57.14 ↑	69.23 ↑
Egg (4 pcs)	Tk 45-Tk 50	9.2 ↑	31.94 ↑

SOURCE: TCB



Sheikh Kabir Hossain, president of Bangladesh Insurance Association (BIA), attended a daylong conference styled "Reimagining the Paradigm Shift in Bangladesh Insurance Industry - Bridging the Protection Gap" organised by the BIA in association with the Birla Institute of Management & Technology (BIMTECH) and the Professional Advancement Bangladesh, at Sheraton Dhaka in Banani yesterday. Sheikh Mohammad Salim Ullah, secretary of the Financial Institutions Division of the finance ministry, Mohammad Jainul Bari, chairman of the Insurance Development and Regulatory Authority, and Prof Abhijit K Chatteraj, chairperson of PGDM-IBM at the BIMTECH, were present.

PHOTO: GREEN DELTA INSURANCE

Bad loans pile up at state banks

FROM PAGE B1

Rupali Bank's profits plummeted 44 per cent to Tk 28 crore. Bad loans rocketed 228 per cent to Tk 858 crore.

According to Mirza Azizul Islam, banks do not take timely action against defaulters.

"Even when they take action, borrowers file writ petitions and the issues linger for a longer period."

He also said the efficiency of many bankers of state-run banks is not up to the mark.

"And, they do not bother how banks perform as the officials who were allegedly involved in irregularities were not punished. The officials believe that the government will not allow the state-run banks to collapse and will unveil bailout packages, if necessary."

The former secretary called for restoring accountability in the state-run banks.

Islam emphasises taking effective actions against bad loans by filing cases and taking over collaterals. "The central bank, along with the finance ministry, should meet with the chief justice to find out a way in order to

have loan-related cases resolved as early as possible."

Salehuddin Ahmed blamed the central bank's lack of complete control over the state banks for their deteriorating financial health since they are controlled by the finance ministry.

"The government needs to pay more attention to reducing bad loans in the banking sector."

The state-run banks provided many loans owing to political influence. At the same time, they also lent to various sectors at the direction of the government. Many of them have become bad loans, according to Anis A Khan, a former chairman of the Association of Bankers, Bangladesh.

He said since the moratorium on loan classification ended in 2022, the real scenario of bad loans is getting clearer. "If all of the bad loans were recognised properly, they would have incurred losses."

The former managing director of Mutual Trust Bank recommended setting up asset reconstruction companies, which are specialised financial institutions that buy bad

assets from banks and financial institutions so that the latter can clean up their balance sheets.

"The merger can also be a part of the thinking of the government in order to strengthen capital and assets and increase acceptance among foreign banks to run trade finance business," he added.

A central banker said the moratorium on loan classification was extended to help borrowers ride out the impacts of Covid-19.

"Many facilities were in place in 2022. Still, the bad loans rose. This means the volume of bad loans of the state-run banks has gone up only because of the absence of the facility. In fact, these banks have problems when it comes to lending."

According to the World Bank, the extent of troubled assets is obscured by lax regulatory definitions and reporting standards, extended forbearance, as well as weak supervisory enforcement.

Published NPL statistics do not reflect internationally accepted definitions (90 days past due) of non-performing exposures, it said in April.

Tax collection growth halves in March

FROM PAGE B1

Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development, said the slowdown in revenue collection will further constrain Bangladesh's fiscal space or spending capacity from its own coffers.

And if the collection growth continues to slow down, the government will have to cut public spending, particularly development spending, this year and next year to avoid excessive borrowing from the banking sector and other sources.

The government may also need to reduce the subsidies it provides to various sectors, he added.

Razzaque then said the slowdown in collection makes it obvious that the NBR would miss the tax collection target of Tk 370,000 crore for the current fiscal year.

Until March, the NBR logged three-fifths of the target, meaning that it needs to collect roughly Tk 145,000 crore in the remaining three months of the fiscal year ending in June.

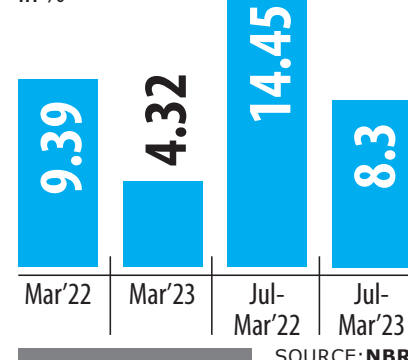
It is likely to miss the revenue collection target of Tk 345,630 crore given by the International Monetary Fund (IMF) as a part of its \$4.7 billion loans.

"Meeting the IMF's target will be very difficult too," he added.

The Centre for Policy Dialogue earlier projected that overall

TAX COLLECTION GROWTH

in %



revenue collection shortfall from the government's target would be approximately Tk 75,000 crore if the current trend of revenue mobilisation persists.

During July-March of fiscal year 2022-23, the NBR logged Tk 71,227 crore in direct tax collection, registering 4.87 per cent year-on-year growth.

VAT receipts soared 15.4 per cent year on year to Tk 86,905 crore in the nine-month period.

At the same time, customs tariff collected on imported goods grew 3.6 per cent year-on-year to Tk 67,380 crore, according to the NBR.

Google, Facebook to face

FROM PAGE B1

deduction of tax during payment to non-resident firms or multinational tech companies that do not have office in Bangladesh.

The NBR said withholding tax should be deducted at 15 per cent on payment to tech firms for advertisement in the internet, and 20 per cent of tax to be cut during

payment to foreign TV channels and radios for broadcasting ads until June 30 this year.

Following the clarification, the NBR asked banks to deduct the taxes during remitting money to non-resident companies.

"We expect to get a good amount of tax after the clarification," said a senior official of the NBR.

Forex reserves fall

FROM PAGE B1

months of fiscal year 2022-23. Export earnings dipped 16.52 per cent to \$3.95 billion in April, data from the Export Promotion Bureau showed yesterday. But it was up 5.38 per cent to \$45.67 billion during the 10-month period.

Although import bills fell 10.27 per cent to \$48.79 billion in the first eight months of 2022-23, it was not enough to stop the depletion of the forex. Import data for March and April has not been published yet.

A central bank official said the reserves faced trouble after every ACU payment in recent months.

The ACU is an arrangement for settling payments for intra-regional transactions among member countries, including Bangladesh.

India, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are other members of the Tehran-based ACU. Member countries of the ACU clear their payments once every two months.

Bangladesh's foreign exchange reserves soared to a historic high of \$48 billion in August 2021.

Although the deficit in trade and current account decreased significantly in the last couple of months, the shortfall in the financial account widened to a large extent, worsening the volume of the reserves.

Under such a situation, the central bank injected US dollars into banks almost every working day.

Between July 1 and April 27 of the ongoing financial year, the central bank supplied a record \$11.79 billion to banks in contrast to \$7.62 billion for the entire fiscal year of 2021-22.

Budget

FROM PAGE B1

The budget of the 2023-24 financial year will be around Tk 759,955 crore, which will be the highest-ever budget in the history of Bangladesh.

The National Economic Council is scheduled to announce the new annual development programme of Tk 2.74 lakh crore on May 11, according to an official of the planning commission.

Robi makes Tk 42cr profit in Q1

STAR BUSINESS REPORT

Robi Axiata Ltd, the second largest mobilephone operator in Bangladesh, made Tk 42.03 crore profit in the first quarter of 2023.

The profit stood at Tk 39.83 crore in the January-March quarter of 2022, the unaudited financial statements showed.

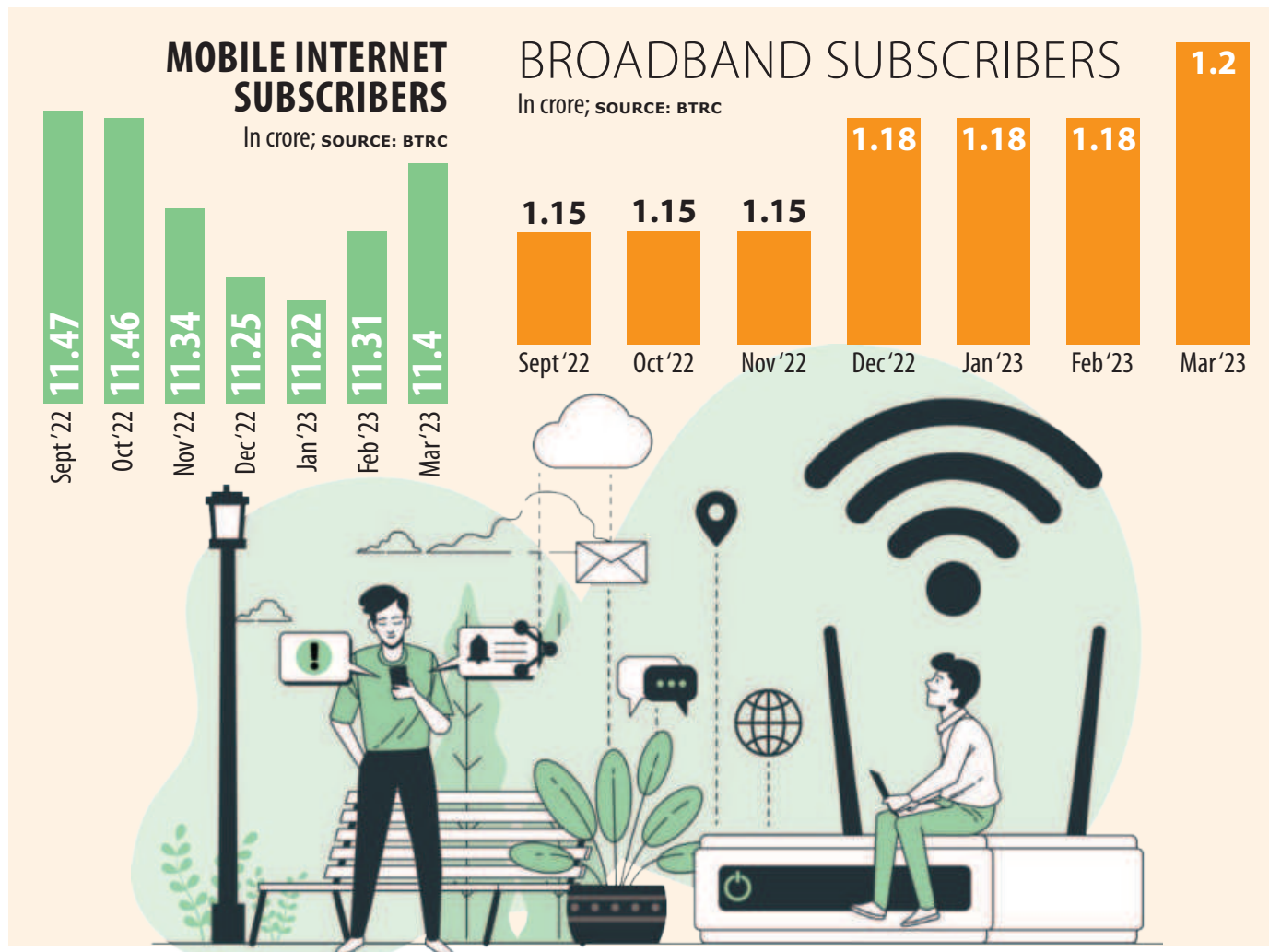
The board of Robi Axiata approved the financial statements at a meeting yesterday.

Revenue grew more than 16.25 per cent to Tk 2,347.74 crore in January-March. It was Tk 2,018.92 crore in the same quarter a year earlier.

The net asset value per share of Robi improved to Tk 12.90 on March 31 this year from Tk 12.72 on the same day a year ago.

The net operating cash flows per share rose to Tk 1.83 in the first quarter of 2023 from Tk 1.61 in the identical three-month period of 2022.

Shares of Robi closed unchanged at Tk 30 on the Dhaka Stock Exchange yesterday. It had 5.55 crore subscribers as of March.



Number of internet users rises in March

Focus on digital services other than social media

MAHMUDUL HASAN

The number of internet subscribers rose in March as mobile network operators and broadband service providers both bagged new customers due to increased usage of different digital services other than social media.

The number of internet users jumped by over 11 lakh to 12.61 crore in March compared to that in the previous month, according to data of Bangladesh Telecommunication Regulatory Commission (BTRC).

Earlier in February, the number of internet subscribers in Bangladesh saw its first rebound after six months thanks to a jump in mobile internet users. But in March, broadband user numbers also underwent growth.

Mobile operators fetched about 9 lakh customers in March to reach 1.14 crore.

"We are now observing a new trend among customers," said Shahed Alam, chief corporate and regulatory officer at Robi Axiata Ltd.

"They are now using the internet for different types of digital services such as over-the-top media, gaming etc. This is

giving a boost to the subscriber number base," he said.

"Earlier, mobile internet subscribers generally used our service for social media and YouTube," he added.

The rise in internet subscriptions in March is a breath of fresh air for the mobile and broadband operators in the country.

User numbers have been on the decline from August last year to January this year as people had tightened their belts amid skyrocketing inflation.

Besides, a SIM sales ban on Grameenphone in the last six months of 2022 also contributed to a drop in the overall internet subscriber base.

Officials of mobile network operators say their massive network expansion drives ensured a better quality of service, boosting data usage at the same time.

For example, market leader Grameenphone recently completed the deployment of an additional 2,000 base transceiver stations, bringing its total to over 20,000, which is the highest among all operators.

Optical fibre connectivity covers over 35 per cent of its network, up from 17 per cent a year ago. Banglalink has also undergone

massive network expansion.

"We attribute this uptick in customer preferences to our ongoing investment in network expansion," said Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink recently.

The rise in internet subscriptions in March is a breath of fresh air for operators as user numbers had been on the decline from August last year to January this year

"...enabling our customers to experience Ookla certified fastest 4G while utilising our innovative and quality digital services," he said.

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

Robi Axiata also deployed hundreds of new towers throughout last year, taking its

total number of towers to nearly 15,500.

However, customers of mobile and broadband, especially those who live outside Dhaka, have complained of experiencing low quality of services in recent times.

Meanwhile, broadband internet subscribers rose by 2 lakh to 1.20 crore in March.

The BTRC provides internet subscriber information on a quarterly basis.

"We have seen the inflow of new customers in January and February, which mainly contributed to the quarterly growth," said Md Aminul Hakim, chief executive officer at Amber IT, a top broadband internet service provider.

"January particularly saw a surge in new customers acquisition as the educational institutions opened after a month of closure," he added.

Md Emdadul Hoque, president of the Internet Service Providers Association of Bangladesh, said the ISPs have faced difficulty in importing equipment after the war started in Ukraine.

"For that we have struggled to expand our networks. Now this problem has been solved and we are expanding the network in the rural areas," he added.

Dilwar H Choudhury re-elected board audit committee chairman of Bank Asia

STAR BUSINESS DESK



Dilwar H Choudhury has been re-elected as the chairman of the board audit committee of Bank Asia Limited at a meeting of the Board of Directors recently.

Choudhury had been a career banker with 35 years of experience in eight countries in Asia, Africa and Europe.

In the last leg of his career, he was the managing director (current charge) of City Bank

Limited, said a press release.

Previously, he managed three full-fledged banking operations as the chief executive officer in Turkey, Pakistan and Bangladesh.

He was also a banking consultant for KPMG Bangladesh, a global network of professional firms providing audit, tax and advisory services, in 2004-2005.

Currently, Choudhury offers freelancing service in the areas of merger and acquisition, organisational development and credit portfolio audit of banks.

10% cashback on Nagad recharge for flyover toll payment

STAR BUSINESS DESK

Nagad offers a 10 per cent cashback on the recharge of RFID tolling tags using its gateway with a view to encouraging digital toll payments for traveling on the Mayor Mohammad Hanif Flyover in Dhaka.

To avail the hassle-free toll payment service, customers first need to get registered and open an account, said a press release.

Orion Infrastructure Limited signed an agreement with Nagad last year to digitalise toll collection for Mayor Mohammad Hanif Flyover, reducing traffic congestion at the toll plaza of the country's longest flyover.

"Vehicles can directly cross the flyover by availing this cashless service, which will make toll payments hassle-free. This will also save time for customers and give an added boost to the economy as a whole," said Md Shihab Uddin Chowdhury, chief commercial officer of Nagad.

"We have introduced the digital toll collection system, which will ease hassles at toll plazas and save time for both drivers and passengers. I think Nagad's 10 per cent cashback will encourage more people to use the RFID-based toll payment system," said Wing Commander (ret'd) Md Erfanul Azim, vice president of Orion Group.



Md Humayun Kabir, deputy managing director of Walton Hi-Tech Industries, and actor Amin Khan, brand ambassador of Marcel, inaugurated a showroom named "Tamim Electronics" at Kathgara Bazar in Ashulia, Savar on Saturday. Among others, Md Shakhawat Hossen, in-charge of Marcel Distributor Network (North Zone), Shafiqullah Liton, divisional sales manager of Marcel, comedian Abu Hena Rony, and Abu Rayhan, proprietor of Tamim Electronics, were present.

PHOTO: WALTON HI-TECH INDUSTRIES

Unions demand Tk 23,000 minimum wage

FROM PAGE B1

In 2018, each dollar cost between Tk 75 and Tk 76 and it is Tk 106 for exporters. In some cases, it is Tk 115 in informal markets. So, if the dollar rate is considered the amount is valid, said Amin.

Moreover, if inflation had been a minimum of 5 per cent over the last five years, the amount is logical, he added.

"So, we have already proposed the amount to the labour ministry for fixing it as the minimum monthly payment to garment workers," Amin told The Daily Star over the phone.

Echoing him, Nazma Akter, president of Sammilite Garment Sramik Federation, also said the wage of Tk 23,000 per month has been

considered based on the needs of a four-member family.

Many workers suffer from malnutrition because of deficiency in calorie intake as their purchasing capacity is low because of high prices of basic commodities, she said.

With the current monthly salary, after paying the house rent, the workers can spend a low amount for buying basic commodities and can hardly save for the future, she added.

Md Towhidur Rahman, president of Bangladesh Apparel Workers Federation, echoed the views.

Some studies were conducted by different trade unions and finally they came to the decision to fix this amount as the monthly salary, he said.

The current minimum wage of Tk 8,000 per month is low if the living wage is considered, said Selim Raihan, executive director of the South Asian Network on Economic Modeling (SANEM).

And at the same time there is an inflationary pressure in the markets for which the purchasing power of the workers has declined, he said.

The international retailers and brands should also contribute a fair share in the wage upgradation of the workers, he said.

Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association declined to comment, saying a separate board would fix the amount in consultation with the stakeholders.

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16491



Potatoes are seen stockpiled at a wholesale outlet of Krishi Market in Dhaka's Mohammadpur yesterday. Prices of the tuber have gone sky-high but traders are withholding supplies in cold storage in hopes of making higher profits later on. PHOTO: RASHED SHUMON

Quasem Industries posts 20% decline in profit in Q3

STAR BUSINESS REPORT

Quasem Industries Ltd reported a 20 per cent year-on-year decline in profit to Tk 87.27 lakh in the third quarter of the current financial year owing to a rise in the cost of production and expenses.

The battery manufacturer made a Tk 1.09 crore profit in January-March of the previous financial year of 2021-22.

Its earnings per share rose to Tk 0.12 in the January-March quarter of 2022-23 against Tk 0.15 in the similar quarter a year earlier, according to the unaudited financial statements.

Quasem Industries suffered a loss of Tk 50.91 lakh in the July-March period of 2022-23. It made a profit of Tk 2.39 crore in the same nine-month period of 2021-2022.

The net operating cash flow per share (NOCFPS) declined to Tk 0.51 in July-March of FY23 against Tk 0.97 in FY22.

The EPS and the NOCFPS decreased due to an increase in the cost of production, operational and financial expenses, and higher payments to suppliers resulting from higher inflation, the Russia-Ukraine war and an unexpected price hike of the US dollar, said Quasem Industries in a filing on the Dhaka Stock Exchange.

The net asset value per share fell to Tk 27.38 on March 31 from Tk 27.64 on June 30.

Potato prices go up as production drops

But traders holding back supply in hopes of higher profit; farmers also turning to more profitable crops

SUKANTA HALDER, SAJJAD HOSSAIN and KONGKON KARMAKER

Potato prices have skyrocketed in Bangladesh amid a drop in production as farmers are increasingly turning to more profitable crops while poor weather conditions also lowered supply, according to market players.

Mohammad Al Amin, a retailer of Mirpur's Pallabi area in the capital, said he sold potatoes for Tk 25 per kg before Eid-ul-Fitr. "But I am selling potatoes at Tk 35 per kg as the price has gone up in the wholesale market," he said.

Traders at kitchen markets in Dhaka say the tuber is now selling for Tk 35 to Tk 40 per kilogramme (kg), up from Tk 22 to Tk 25 ahead of Eid-ul-Fitr on April 22 earlier this year.

Acreage dropped to a seven-year low of 4.55 lakh hectares in the current fiscal year (FY) from 4.64 lakh hectares in FY2021-22, according to the Department of Agricultural Extension (DAE).

The DAE estimates that potato production has increased this year despite the decline in acreage but cold storage owners and traders say overall yields have dropped.

To take advantage of the reduced production, some traders are holding back their stocks in hopes of getting higher prices later on.

Younus Bepari, a trader from Munshiganj who stocked 100,000 kgs of potato in cold storage, said wholesalers are paying Tk 25 per kg at present.

"I will start selling the crop when the price

reaches Tk 30 to Tk 35 per kg at wholesale," he added.

Data from the Trading Corporation of Bangladesh (TCB) shows that the price of potato has increased by up to Tk 15 per kg, or 59.57 per cent, over the past month.

The price of potato was between Tk 860 and Tk 880 per maund (37 kgs) before Eid-ul-Fitr, but the same amount is now being sold for Tk 1,160 to Tk 1,180 as supply is not available as per the demand.

Mokhlesur Rahman
A wholesaler at Karwan Bazar

Mokhlesur Rahman, a wholesaler based in Karwan Bazar, one of the biggest kitchen markets in Dhaka, said the price of potato was between Tk 860 and Tk 880 per maund (37 kgs) before Eid-ul-Fitr.

But the same amount is now being sold for Tk 1,160 to Tk 1,180 as supply is not available as per the demand, he added.

As per TCB data, potato prices in Dhaka have increased by 108.33 per cent year-on-year from around Tk 16 to Tk 20 per kg in May of 2022.

The potato season starts in October and continues till March, farmers say.

Nur Islam, a farmer of Sadarpur village under Dinajpur sadar upazila, said he cultivated potato on 1.5 acres of land this year but failed to secure a profit despite getting good yields.

"I sold each kg of potato at Tk 12 as the market price was low at the time of harvest," he said, adding that higher production costs attributed to his lack of profit.

Fertiliser, electricity, transport, labour and other associated costs have risen this year due to the ongoing US dollar shortage and other economic crises stemming from the Russia-Ukraine war.

Mostafa Azad Chowdhury, president of the Bangladesh Cold Storage Association, said the price of potato has increased amid fears of a potential supply crunch in the market.

Chowdhury estimates that potato production was about 20 lakh tonnes less this time compared to last season.

In March, traders came to know that potato production could be less than the demand this year and so, they are not properly supplying the market in hopes of getting higher prices later on, he added.

As per an estimate by the Bangladesh Cold Storage Association, growers and traders have kept about 50 lakh tonnes of potato in cold storage this year.

Of the total production, 80,000 to 85,000 tonnes are used by homes and industrial consumption while some 7.5 lakh tonnes are used as seeds.

Brac Bank's profit jumps 25% in Jan-Mar

STAR BUSINESS REPORT

Brac Bank Limited posted a nearly 25 per cent year-on-year increase in profit in the January-March quarter of 2023.

Its consolidated earnings per share stood at Tk 0.96 in the first quarter of the financial year against Tk 0.77 in the same quarter in 2022, according to the unaudited financial statements.

The consolidated net operating cash flow per share dipped to Tk 1.85 from Tk 7.20, due to higher loan disbursements, said the private commercial bank in a filing on the Dhaka Stock Exchange.

The consolidated net asset value per share rose to Tk 41.86 on March 31 this year from Tk 38.94 on the same day last year.

In another filing, Brac Bank said it has received consent from the Bangladesh Securities and Exchange Commission (BSEC) to give a 7.5 per cent stock dividend for 2022.

The BSEC has accorded its consent for raising the paid-up capital through the issuance of a 7.50 per cent stock dividend for the year that ended on December 31.

Brac Bank has decided to increase the authorised capital from Tk 2,000 crore to Tk 5,000 crore.

The authorised capital is the maximum amount of share capital that a company is allowed to issue to its shareholders as per its constitutional documents.

The bank clocked a Tk 601.63 crore profit in the last financial year of 2022, up 10.14 per cent year-on-year. The board of directors has recommended a 7.50 per cent cash and a 7.50 per cent stock dividend for the year.

Brac Bank shares traded at Tk 38.50 on the DSE yesterday.

Peninsula Chittagong suffers 37.5% profit drop

STAR BUSINESS REPORT

The Peninsula Chittagong Limited suffered a 37.5 per cent year-on-year fall in profit to Tk 59.33 lakh in the third quarter of the current financial year.

The profit of the company stood at Tk 94.93 lakh in the identical January-March quarter of 2021-22.

Thus, the consolidated earnings per share declined to Tk 0.05 in January-March of 2023 from Tk 0.08 in the same period a year earlier.

In a posting on the Dhaka Stock Exchange, Peninsula said its EPS decreased due to an increase in the cost of sales, import rate, selling and distribution expenses and the decrease in non-operating incomes.

The hotel company suffered a loss of Tk 2.37 crore in July-March of FY23. This compared to the Tk 8.54 crore profit it clocked during the same nine-month period of FY22.

So, the company's consolidated EPS stood at Tk 0.20 negative in the first three quarters of 2022-23 against Tk 0.72 a year ago.

The consolidated net operating cash flow per share plummeted to Tk 0.22 negative in July-March from Tk 0.19 in the similar period in FY22.

The net operating cash flow per share decreased due to an increase in cash paid to suppliers and an increase in payments made for administrative, selling and distribution expenses, said the filing.

The consolidated net asset value per share was Tk 29.02 on March 31 and Tk 29.47 on June 30.

Shares of Peninsula Chittagong traded at Tk 27.40 on the DSE yesterday, unchanged from a day earlier.

LafargeHolcim's profit more than doubles

STAR BUSINESS REPORT

LafargeHolcim Bangladesh's profit rose 102 per cent year-on-year to Tk 190.9 crore in the first quarter of the current financial year riding on higher sales driven by new products and innovative solutions.

The multinational cement manufacturer made a profit of Tk 94.5 crore in the January-March quarter of 2022, according to a press release.

Thus, LafargeHolcim reported earnings per share of Tk 1.64 for January-March this year against Tk 0.81 in the three months to March of 2022.

Shares of the company, however, fell 1.72 per cent to Tk 68.40 on the Dhaka Stock Exchange yesterday.

Operating profit before interest and taxes reached Tk 243.2 crore, a year-on-year increase of 90 per cent despite challenging market conditions.

Net sales surged 37 per cent to Tk 854.6 crore backed by new products and innovative solutions.

In the press release, Iqbal Chowdhury, chief executive officer of LafargeHolcim Bangladesh, said: "The first quarter's performance demonstrates the strength of our diverse product portfolio and strategic presence driven by innovative products, high-value solutions, digital footprint and new channels."

He said the company would continue to focus on the expansion of channels, aggregates business, new products and solutions and enhance its digital footprint to ensure sustainable growth. LafargeHolcim Bangladesh also said the rest of 2023 would be challenging as geopolitical uncertainty and inflationary pressure continues.



Craftspeople carve handles for metal tools such as spades and sickles in Uttar Kourikharra area of Pirojpur's Nesarabad upazila. Working from 8:00am to 6:00pm earns them Tk 12,000 to Tk 15,000 a month. The photo was taken recently. PHOTO: TITU DAS

Green Delta Insurance's profit falls 58% in Q1

STAR BUSINESS REPORT

Green Delta Insurance Ltd reported a 58 per cent year-on-year decline in profit to Tk 7.41 crore in the first quarter of 2023.

The profit stood at Tk 17.83 crore in the identical January-March quarter of 2022.

The insurer said its consolidated earnings per share were Tk 0.74 in the quarter, down from Tk 1.78 in January-March a year earlier.

The consolidated net operating cash flow per share plummeted to Tk 0.02 from Tk 0.67.

Green Delta's consolidated net asset value per share rose to Tk 69.94 on March 31 from Tk 68.96 on December 31.

Shares of the insurance company traded at Tk 65.10 on the Dhaka Stock Exchange yesterday.