



star


BUSINESS



Prime Bank



EXPERIENCE
UNINTERRUPTED
BANKING HOUR
WITH MyPrime
more to you!



Scan to download!

\$190m ADB loan for upgrading rural roads

STAR BUSINESS REPORT

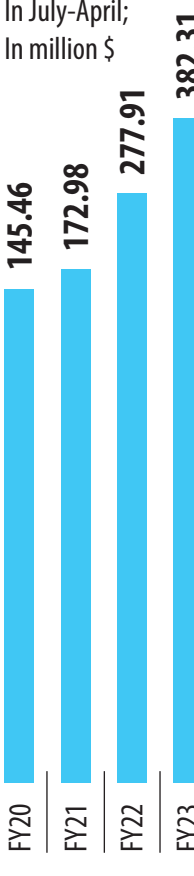
Asian Development Bank (ADB) has approved a \$190 million funding for upgrading rural roads, making agricultural areas more productive, and improving socioeconomic centres in rural areas of Bangladesh.

This loan is for its ongoing “Rural Connectivity Improvement Project” in the country, the ADB said in a statement yesterday.

“This is ADB’s second additional financing for the project,” said ADB Principal Rural Development Specialist Masahiro Nishimura.

“(it is for) further expanding improvement of rural road networks and introducing innovative features in climate and disaster resilience and road asset management to enhance living conditions in rural areas,” he said.

EXPORT OF COMPUTER DATA PROCESSING AND HOSTING SERVICES



IT EXPORT TRENDS



EXPORTS

In the entire FY22, IT exports surged 95% to \$592.06m

EXPORT AS PER BASIS

The trade body puts the figure at \$1.4b (Many firms and freelancers prefer to receive export proceeds through unofficial channels for higher USD dollar rate, say industry insiders)

The latest loan will further extend improvement of another 1,350 km of rural roads with all-weather standards, climate resilience and safety features

This project is helping improve transport efficiency and reliability in rural areas, boost agricultural productivity and generate employment to help the country’s sustainable economic growth, Nishimura said.

The ongoing project, originally approved in November 2018, aimed to upgrade about 1,700 kilometres (km) of rural roads, strengthen the capacity of rural infrastructure agencies and road users, and improve rural road master planning, said the ADB.

More than 900km of rural roads have been added to the original target since 2020, it added.

This latest loan will further extend improvement of another 1,350 km of rural roads with all-weather standards, climate resilience and safety features.

IT exports rising though growth decelerates

MAHMUDUL HASAN

Information technology exports from Bangladesh grew in the July-April period of the just-concluded fiscal year on the bank of higher demand for IT-enabled services from global clients, official figures showed.

Local IT companies saw their earnings jump by 24.60 per cent year-on-year to \$460 million in the first 10 months of 2022-23, according to the Export Promotion Bureau (EPB).

The higher earnings were driven by ITESs, which include graphic design, image editing and business process outsourcing. Receipts from ITES shipments surged 37.57 per cent to \$382.31 million.

“Due to the Russian-Ukraine war, the global inflation rate has increased, which has forced technology companies in the US and Europe to lay off their regular employees and go for outsourcing in order to cut operational expenditures,” said Rashad Kabir, managing director of Dream71 Bangladesh Ltd.

“This has created an opportunity for local technology companies to grab markets in the regions and the recent jump in ICT exports is a reflection of that.”

The IT entrepreneur thinks if local firms can retain the current

growth momentum, there will be a huge jump in the ICT shipment in the coming years.

“Developing skilled human resources should be the priority to ensure high quality and long-term services,” added Kabir, also a director of the Bangladesh

The international sales of software dropped about 18 per cent to \$41.91 million.

Brain Station 23, which has around 700 employees, witnessed a slide in software export.

“Due to the global economic slowdown, the inflow of orders

software exports.

“If we really want to turn Bangladesh into an IT hub, increasing software exports and learning about new technologies is essential.”

He said IT professionals should always keep themselves updated about software. “Unfortunately, our IT professionals don’t keep themselves informed about changing technologies.”

According to Almas, freelancers are mainly providing ITESs and Bangladesh has already displayed its strength in this area.

Although the overall IT exports climbed 24.60 per cent in July-April of FY23, the pace of growth decelerated compared to a year ago. During the identical period of 2021-2022, earnings shot up 52 per cent to \$369 million.

And in the entire FY22, overseas sales from the sector surged 95 per cent to \$592.06 million, EPB data showed.

BASIS President Russell T Ahmed, however, thinks the official statistics don’t reflect reality since the real earnings are much higher than the reported figures.

“This is because the official figures don’t include the earnings of many firms, including that of freelancers,” he said, adding that the current estimated annual IT export is \$1.4 billion.



Association of Software and Information Services (BASIS), the apex trade body of ICT firms in the country.

Export earnings from software, commuter consultancy and product installation and maintenance saw a drop in July-April of FY23.

The shipment of computer consultancy services fell 5.45 per cent to \$29.67 million while installation, maintenance and repair of computer and peripheral equipment services witnessed a decline of 29.54 per cent to \$6.44 million.

has slowed,” said its co-founder and CEO Raisul Kabir.

BJIT Group, the top IT exporter in Bangladesh, however, posted more than 30 per cent year-on-year shipment growth during the 10-month period of the last fiscal year.

“We have already reached all of our export targets,” said Masud Mehedi, chief operations officer of the company, which employs about 800 people.

Syed Almas Kabir, a former president of the BASIS, thinks it is crucial for Bangladesh to maintain positive growth in

Top business leaders welcome trade in rupee with India

Taka should be included in future, they said

REFAYET ULLAH MIRDHA

The settlement of trade with India in the rupee will offer some benefit to exporters as this is expected to protect them from currency conversion loss and save time, according to a number of business people.

However, the inclusion of the Bangladesh taka in making settlements for trades and services will give a boost to the growing bilateral commerce between the two nations, they said.

Several exporters and business people shared the view yesterday after Bangladesh and India launched trade settlement in the Indian rupee (INR) in order to cut over-dependence on the US dollar.

“The trade settlement in rupee is an option that will ultimately bring benefits to local exporters,” said Faruque Hassan, president of the BGMEA

“The trade settlement in the rupee is an option that will ultimately bring benefits to local exporters although it will be applicable for \$2 billion worth of imports initially. In the future, it is expected to be more,” said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

He said the launching of a dual-currency debit card in September will also ease pressure on the dollar in both countries.

The BGMEA chief said the government has allocated Tk 10,000 crore to import raw materials. In this case, garment exporters can easily buy raw materials from India in the rupee.

He said the hassle of a multiple conversion of the currency will ease and the taka should also be included in the two-way trade in the future.

Md Fazlul Hoque, managing director of Plummy Fashions Ltd, a knitwear exporter, said India is a growing and prospective market for Bangladesh.

He said the settlement of trade in the INR will bring benefits if it could save Tk 1 per dollar by avoiding multiple conversions.

READ MORE ON B3

STOCKS			
	DSEX ▲	CASPI	
	0.04%	Flat	
	6,327.98	18,703.82	

COMMODITIES			
	Gold ▲	Oil ▲	
	\$1,934.19	\$73.19	
	(per ounce)	(per barrel)	

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▲ 0.42%	▲ 0.04%	▲ 0.46%	▲ 0.55%
	65,617.84	32,203.57	3,163.84	3,221.37

Edible oil prices fall for lower import cost

STAR BUSINESS REPORT

Refiners in Bangladesh have reduced the prices of soybean oil and palm oil as import costs decreased in line with the global market situation.

The Bangladesh Vegetable Oil Refiners’ and Vanaspati Manufacturers’ Association, an association of mill owners, said the new prices will come into effect from today.

As per a press release from the association, the price of one-litre bottles of soybean oil has been reduced by Tk 10 to Tk 179, down by some 5 per cent.

Similarly, the price of loose soybean oil was decreased by Tk 8, or roughly 5 per cent, to Tk 159 per litre.

Meanwhile, the price of five-litre bottles of soybean oil was reduced by Tk 43 to Tk 873.

Likewise, the price of palm oil has been decreased by Tk 5 per litre to Tk 128, as per the press release.

Bangladesh requires about 20 lakh tonnes of edible oil each year, shows data from the commerce ministry.

Only 2.03 lakh tonnes of this requirement can be sourced from local producers while the rest is met through imports.



The new prices to be effective from today may give some respite to the masses amid ongoing inflationary pressure.

PHOTO: STAR/FILE

Floor price will be lifted once economy stabilises: BSEC chief

STAR BUSINESS REPORT

The stock market regulator will withdraw the market’s floor price as soon as the economy reaches a stable condition and investments of investors are secured, said a top official of the Bangladesh Securities and Exchange Commission (BSEC) yesterday.

“We are also eagerly waiting for a suitable time to lift the provision of the floor price,” said BSEC Chairman Shibli Rubayet Ul Islam at a seminar in Dhaka.

The floor price is the lowest price at which a share can be sold.

The BSEC set the floor price of every stock at the end of July last year to halt the free fall of the market indices amid global economic uncertainties.

The floor price was determined based on the average of the closing prices on July 28 of the year and the preceding four days.

The economy is moving towards eventually reaching a stable condition after facing a lot of challenges like the fallouts of the pandemic, a dollar shortage and the Russia-Ukraine war, said Islam.

So, once it is understandable that the capital of investors no longer needs to be protected and that no crash of the stock market will recur, the BSEC will lift the floor price, he said.

The BSEC set the floor price of every stock at the end of July last year to halt the free fall of the market indices

The BSEC chairman also called on investors to invest in treasury bills and treasury bonds, explaining that those were very secure while returns were also good.

Many do not know that individual investors can also buy treasury bills and treasury bonds, he said, adding that the size of the bonds market had already crossed 3 lakh crore and this investment was guaranteed.

Currently the BSEC is working with the finance ministry to enable the listing of 22 state-owned companies soon, he said.

READ MORE ON B3

Taka-rupee debit card from September: BB

STAR BUSINESS REPORT

The central bank is going to introduce a taka-rupee debit card in September to allow travellers to make payments at home and in India, Bangladesh Bank Governor Abdur Rouf Talukder said yesterday.

“We are in the process of rolling out our national card,” he said at the launch of the settlement of bilateral trade in the Indian rupee at Le Méridien Dhaka.

Under the current practices, travellers buy US dollars before travelling to India and convert them into the rupee when they are in the neighbouring country.

But the holders of the debit card named “Taka Pay Card” will be able to make payments against local bills as well as purchases in India within their travel quota limit as it will be tagged with the rupee.

READ MORE ON B3