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Fareast Islami Life Ins facing steep debt

Unable to clear claims for liquidity crunch

S DILIP ROY and SUKANTA HALDER

Firoza Begum, a resident of Shalmara village in Bhelabari union under Aditmari upazila of Lalmonirhat, opened a 12-year term policy with Fareast Islami Life Insurance Company some 15 years ago.

With the policy having matured about three years back, Firoza has regularly visited the company's local office since then in a bid to get back her Tk 80,000 deposit.

"But I am not getting my money," said the 52-year-old housekeeper.

Like Firoza, around 3,000 policyholders of Fareast Islami have been struggling to get claims amounting to around Tk 19.58 crore due to a liquidity crunch in the company, according to an official of the insurer.

"I am tired of going to the insurance company," she added.

Rafiqul Islam, who works as a day labourer in Uttar Saptana village under Lalmonirhat sadar upazila, said his life insurance policy also matured three years ago but he is yet to get his funds back.

"I often visit the company's office to get my Tk 40,000. I need the money as my wife is sick but I cannot afford the treatment," he added.

On condition of anonymity, an official of Fareast Islami's Lalmonirhat branch, said they have 21,000 policyholders in the district.

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HOMELAND LIFE INSURANCE OVER 37,000 CLIENTS unsure about settlement of claims

BY THE NUMBERS

- Founded in 1996
- Affected policyholders: 37,112
- Involving claim: Tk 79cr
- Life fund amount: Tk 202cr
- Idra got complaints: 6,820
- Out of 2,980 agents, 2,903 have expired licences



PHOTO: PALASH KHAN

KEY POINTS

- For violation of law, the insurer will have to pay fine of Tk 3.88cr
- Idra recently appointed auditor in the insurer
- Insurer was ordered to settle all claims by June this year
- Idra asked it to submit a business action plan for next three years

REASONS FOR LOW CLAIM SETTLEMENT

- A lack of liquidity
- Management's expenses above permissible limit
- Alleged misappropriation of Tk 104cr

regulator that about Tk 50 crore was mismanaged from 2010 to 2022, the official said.

At present, the company has 17 directors, including three independent directors.

The insurer had no long-term proper investment plan, resulting in the current situation confronting the insurer, said an Idra senior official.

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WEEKLY INTERVIEW



Ahsan Khan Chowdhury

AGRO-PROCESSING

'Costly production brings down exports'

JAGARAN CHAKMA

Exports of processed agricultural products declined in the immediate past fiscal year for a hike in the cost of production and raw materials which eroded competitiveness in the international market, according to Ahsan Khan Chowdhury, chairman and chief executive officer of Pran RFL Group.

"Due to price hike of raw materials, the need to import intermediate goods and hike of gas and power tariff, cost of production increased by almost 30 per cent last fiscal year," he said.

"...which pushed down the competitiveness of agriculture products in the international market," said Chowdhury during an interview with The Daily Star this week on the exports' decline.

Export of processed agricultural products rose for two consecutive years before slumping in the outgoing fiscal.

In the last fiscal year of 2022-23, processed agricultural products worth \$840 million were exported, down 27.47 per cent year-on-year.

Chowdhury pointed out that the price of Bangladeshi products was higher than that in competitor countries, especially India and Pakistan, which caused buyers to lose interest.

Worldwide inflation due to the Russia-Ukraine war, increase in freight costs, and an export ban on aromatic rice are also behind the fall, he said.

According to him, the ban on aromatic rice export had a significant effect. "Pran itself accounts for around 20 per cent of the total export volume," he said.

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A group of sheep graze at a field in Char Batia under Bogura's Shariakandi upazila. Sheep farming is increasingly getting popular in char areas and has already brought solvency to many farmers in the northern part of Bangladesh. The meat from the animal is part of the country's cuisine, and its skin and wool is used in making clothes. The photo was taken recently.

PHOTO: MOSTAFA SHABUI

Political stability prerequisite for 'Smart Bangladesh'

Businesses say at FBCCI conference

STAR BUSINESS REPORT

A number of businesses yesterday demanded that the prime minister enable a stable political and business-friendly environment to build up a "Smart Bangladesh" by 2041.

Businesspeople of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade body, also wanted continuation of the incumbent government through the next general election scheduled to be held in January next year.

At a "Business Conference on Building Smart Bangladesh" organised by the FBCCI at Bangabandhu International Conference Centre in Dhaka, they chanted slogans saying that the current government was "needed again and again".

With Prime Minister Sheikh Hasina in attendance as chief guest, they said the current government was needed to take the economy "to the next level" through

the implementation of ongoing mega projects.

The business community also demanded that the prime minister ease customs, VAT and tax rules, reasoning that they have been facing a lot of "harassment" from the National Board of Revenue (NBR).

FBCCI, the apex trade body, also wants continuation of the incumbent government through the next general election

Energy security through stable power and gas supplies are a prerequisite to running businesses "smartly" and to build the four main pillars of "Smart Bangladesh" — economy, citizens, government and society, they said.

They also demanded "smart" educational institutions and skilled manpower to address demands for the workforce and artificial intelligence.

Building a "Smart Bangladesh" requires banks, VAT, customs, NBR and government officials to be "smart", the businesses said.

The government needs to facilitate use of "smart" technologies in agriculture, services and industries for a "Smart Bangladesh", they said.

Moderating the conference, FBCCI President Md Jashim Uddin suggested that the government conduct exploration for gas and coal for ensuring adequate and uninterrupted energy supply.

The businesses also demanded a lower bank interest rate, especially for cottage, micro, small and medium enterprises which account for the lion's share of employment generation.

Citing different challenges, businesspeople of different sectors

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Kamal leaves for India to attend G20 summit

STAR BUSINESS REPORT



Finance Minister AHM Mustafa Kamal left the country for India yesterday morning to attend a two-day G20 summit of finance ministers and central bank governors of the member states, which will begin in Gujarat tomorrow.

Although Bangladesh is not a member state of the alliance of 20 industrialised countries, Kamal will join the summit as a representative from a guest country

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Panel to appoint developers for economic zones

STAR BUSINESS REPORT

The government has formed a committee as part of efforts to appoint developers to establish economic zones in partnership with other countries or one or more state organisations.

The developers will be appointed under a government to government initiative as per the Bangladesh Economic Zones (Appointment of Developers) Rules, 2020, according to a circular issued by the Prime Minister's Office on July 11.

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STOCKS		WEEK-ON WEEK	
DSEX	CASPI		
0.10%	0.05%		
6,341.10	18,731.88		

COMMODITIES		AS OF FRIDAY	
Gold	Oil		
\$1,955.73	\$75.20		
(per ounce)	(per barrel)		

ASIAN MARKETS				FRIDAY CLOSINGS	
MUMBAI	TOKYO	SINGAPORE	SHANGHAI		
▲ 0.77%	▼ 0.08%	▲ 0.31%	▲ 0.03%		
65,060.90	32,391.26	3,248.63	22,237.70		