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CORPORATE TAX ABUSE

## Bangladesh loses \$361m tax a year: report

STAR BUSINESS REPORT

Bangladesh is losing \$361 million worth of tax annually owing to the shifting of profits by multinational companies, especially into tax havens abroad, according to a report by the Tax Justice Network (TJN).

In addition, the country is losing \$26 million a year due to global tax evasion committed by private individuals, said the TJN in its State of Tax Justice 2023 released on July 25.

The amount of tax loss is 0.1 per cent of the country's gross domestic product (GDP), said the network of individuals and organisations working for a fairer tax system.

The corporates shift \$1.4 billion in profit out of Bangladesh each year, according to the report, which provides country-level estimates of the tax losses suffered by each country due to cross-border tax abuse by multinational companies and individuals hiding wealth offshore.

The report said the amount of Bangladesh's annual tax loss is \$387 million and it is 1.5 percent of its tax revenue, which is higher than the regional average.

READ MORE ON B3

## ACI to enter aviation market, invest in digital bank

STAR BUSINESS REPORT

ACI Ltd, one of the leading business houses in Bangladesh, has decided to enter the aviation business and invest Tk 10 crore in a digital bank, said the company.

The company, in a board meeting on July 26, decided to form a subsidiary named ACI Avionics and Airlines Services Ltd with a Tk 50 crore authorised capital and a Tk 1 crore paid-up capital.

ACI will have a 77 per cent stake in the subsidiary.

Mohammad Mostafizur Rahman, company secretary of ACI Ltd, said ACI initially plans to launch helicopter services that are currently offered by a number of companies.

"We will gradually go for passenger services."

He said the plan is still at an initial stage. "We will shortly form the company. Later, we will have the conclusive planning."

A top official of ACI said their primary plan is to provide ground service equipment and related services at the airport.

"We want to enter into the business as Bangladesh's aviation market is growing."

With operations in diversified areas ranging from agribusiness, chain retailing, consumer goods and

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### AT A GLANCE



In 2018, govt scrapped the provision of insuring all types of vehicles



People are less interested in insuring vehicles in absence of legal obligation



A lack of awareness another reason behind a drop in insurance



The total number of registered vehicles in Bangladesh is 5,772,562



Due to a decline in insurance, govt is deprived of huge revenue



Govt now plans to make insurance mandatory for all vehicles



## Vehicle insurance business going thru tough times

People not interested amid absence of legal obligation and a lack of trust

SUKANTA HALDER

The vehicle insurance business in Bangladesh is passing hard times as people are not interested in insuring automobiles in the absence of legal obligation as well as a lack of trust in insurers and promotional activities.

In the past, insurance was mandatory for all types of vehicles such as motorcycles, cars, buses and trucks. The government abolished the system in 2018, taking a toll on the insurance business.

Pioneer Insurance Company opened policies for 47,224 vehicles in 2020. It sharply fell to 11,747 in 2021 and 9,951 in 2022.

SM Mizanur Rahman, company secretary of the insurer, said when the government scrapped the law, people were not also giving much heed to the issue.

"If people don't buy vehicles on the basis of loans from banks or non-banks,

very few of them would go for insurance. There are some corporate houses and compliant businesses that insure vehicles."

Insurance is mandatory

was mandatory, a large part of a company's income used to come from the segment, said Md Sarfaraz Hossain, company secretary of Peoples Insurance Company.



for vehicles purchased using loans.

According to Rahman, many people don't trust insurance companies due to various reasons. "So, many don't insure their vehicles. If the government does not make it mandatory, the vehicle insurance business will lose its significance."

When vehicle insurance

The company earned Tk 16.20 crore in premiums from vehicle insurance in 2017 and this increased to Tk 19.46 crore in the following year before coming down to Tk 7.94 crore in 2022.

"People don't understand the importance of insurance. It's sad," he said.

Another blow for insurers came in 2020 when the

Insurance Development and Regulatory Authority abolished the motor third-party insurance, which is car insurance designed to protect the policyholder against the claims of other drivers in case of an accident.

In 2019, Reliance Insurance opened 40,000 third-party insurance policies and earned around Tk 20 crore as premiums.

After the abolishment of the rule, the number of policy openings fell to zero while premiums plummeted 50 percent, said Ramzanul Quadar Billah, vice-president of Reliance Insurance.

He blames the lack of awareness as one of the most notable factors for customers not buying motor insurance.

Mainly multinational companies and some local companies that have prioritised risk management are availing comprehensive motor insurance, Billah added.

READ MORE ON B3

## FBCCI election now a formality

### President-aspirant Alam wins backing of 55 directors out of 78

REFAYET ULLAH MIRDHA

The biennial election of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) scheduled for July 31 is going to be an exercise to maintain a formality since a majority of the directors have already been nominated and elected unopposed.

Of the total 80 posts of the directors, 34 -- 17 from the chamber group and 17 from the association group -- are nominated and the rest 46 are elected, with 23 coming from the chamber group and 23 from the association group.

This year, 16 directors from the chamber group and the same number of directors from the association group have been nominated after two directors from each group were disqualified for a number of reasons.



Moreover, the election of the chamber group will not take place as four out of 27 valid candidates withdrew their candidacy against 23 posts, allowing the remaining contestants to be elected unopposed.

As a result, the election will take place at the Bangabandhu International Conference Centre in Dhaka on July 31 only in the association group in order to pick 23 directors.

In the election, Mahbulul Alam, the representative of the Chittagong Chamber of Commerce and Industry, is running in the election under the Sammilito Oikko Parishad panel while Mir Nizam Uddin Ahmed is contesting under the Sammilito Baboshayee Parishad panel.

As per the rules of the apex trade body

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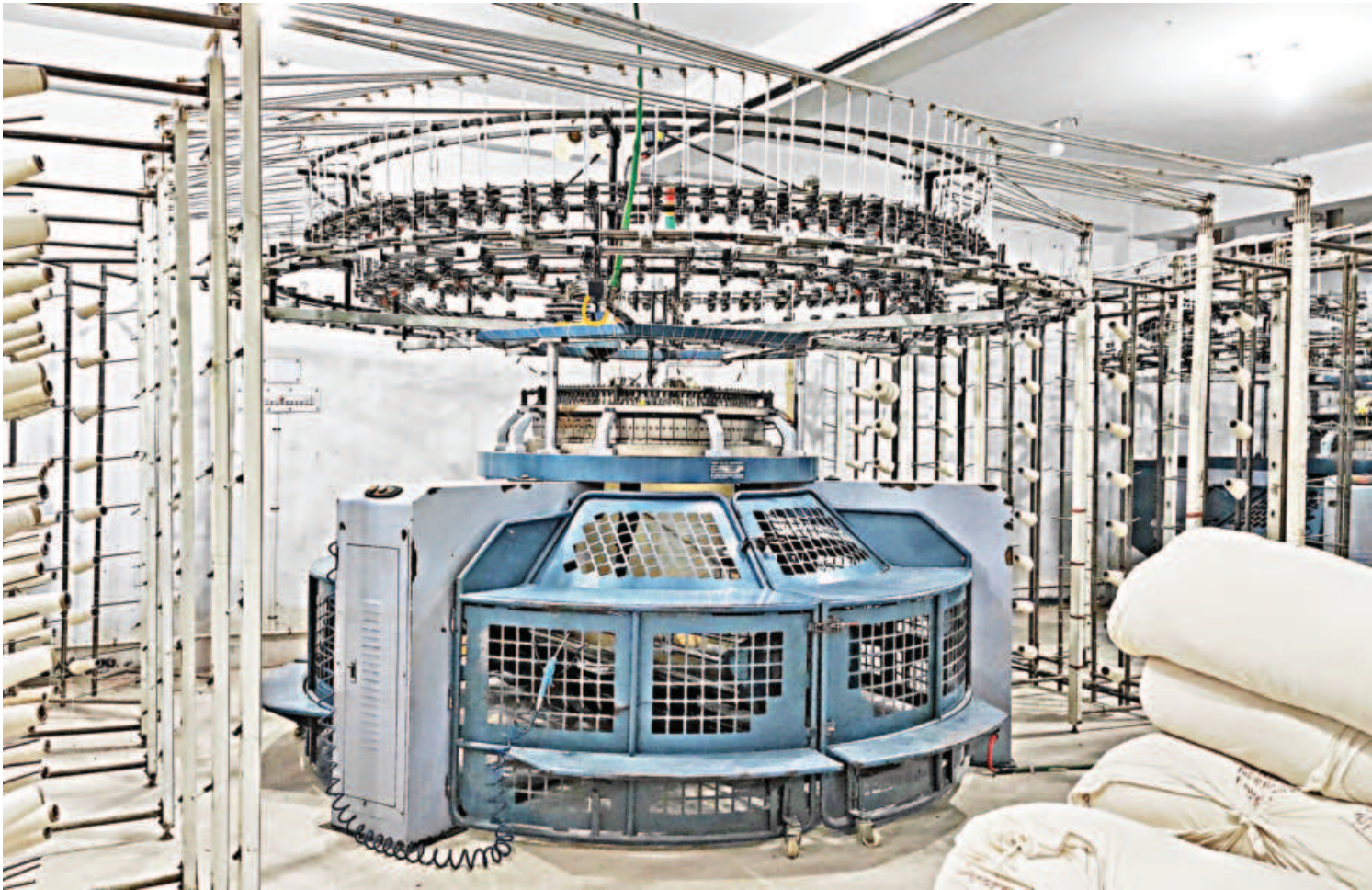


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A machine is seen knitting threads into fabrics at an export-oriented garment factory inside an industrial park of the Bangladesh Small and Cottage Industries Corporation (BSCIC) in Narayanganj. The photo was taken on Wednesday.

PHOTO: SAURAV HOSSAIN SIAM

## Interest of pre-shipment loans now in line with new reference rate

STAR BUSINESS REPORT

The central bank has asked banks to fix the interest rate of pre-shipment loans in line with the new reference lending rate as part of its efforts to make it market-based.

The move is aimed at making export-oriented companies more resilient against shocks stemming from the ongoing global economic crisis, helping them thrive and ensuring a more efficient credit management in the banking sector, said the Bangladesh Bank in a circular yesterday.

Banks have been asked to add a maximum of 2 percent in margin with the reference lending rate, known as the SMART (six-month moving average rate of Treasury bill), when they fix the interest rate of pre-shipment export credits.

The pre-shipment credit is a loan granted to an exporter for financing the purchase, processing, manufacturing or packing of goods prior to shipment.

In June, the BB introduced the market-driven lending rate for banks and non-banking financial institutions, replacing the 9 percent lending rate cap that had been in place since April 2020.

If all installments of a loan or partial installments are categorised as overdue, a maximum of 1.5 percent penalty interest can be slapped on the entire outstanding of a working capital loan or the installments of a demand loan that are behind schedule.

## Chairmen of banks can be directors in subsidiaries abroad

STAR BUSINESS REPORT

Bangladesh Bank has relaxed the rules for the chairmen of banks to hold directorship in subsidiaries abroad, according to a notice issued yesterday.

The central bank in May last year barred chairmen and board members of banks from holding the positions of directors in the boards or governing bodies of the subsidiaries or foundations established by the banks.

In its circular, the BB said chairmen of boards of banks would be able to become directors at the board of the subsidiaries such as exchange houses, money transfer operators or finance companies abroad.

The BB said the decision was taken to avoid losses by banks and ensure proper utilisation of the funds allocated for their subsidiaries.



## AB Bank brings ‘smart loan’ for women entrepreneurs

STAR BUSINESS DESK

AB Bank Ltd has launched “AB Smart Loan” for women entrepreneurs.

Tarique Afzal, president and managing director of the bank, inaugurated the new product at the bank’s head office in Dhaka, said a press release.

The bank will distribute the loan through smart cards among women entrepreneurs across the country.

Senior officials of the bank and women entrepreneurs were present at the launching ceremony.



Tarique Afzal, managing director of AB Bank Ltd, inaugurates the bank’s new product “AB Smart Loan” for women entrepreneurs at the lender’s head office in Dhaka recently.

PHOTO: AB BANK

## Federal Ins declares 10% cash dividend

STAR BUSINESS DESK

Federal Insurance Company Ltd has approved a 10 per cent cash dividend.

This was announced at the 35th annual general meeting, which was held virtually yesterday, said a press release.

Enamul Hoq, chairman of the insurer, presided over the meeting, conducted by Sheikh Mohammad Anwar Uddin, senior executive vice-president and company secretary.

The meeting witnessed the re-election of Faraaz Karim Chowdhury as a director from public shareholders.

Elias Siddiquee, vice chairman, Md Abdul Khaleque, chairman of executive committee, Sabirul Hoque, chairman of claims committee, Safar Raj Hossain, chairman of audit committee, and Muhammad Nazrul Islam, chairman of nomination and remuneration committee, and AMM Mohiuddin Chowdhry, managing director and chief executive officer, were present.



Enamul Hoq, chairman of Federal Insurance Company, presides over the 35th annual general meeting, which was held virtually yesterday. The meeting approved 10 per cent cash dividend.

PHOTO: FEDERAL INSURANCE COMPANY

## Walton Plaza opens branch in Dhamrai

STAR BUSINESS DESK

Walton Plaza, the electronics sales and service-providing enterprise of Walton Group, has opened a new branch at Kawalipara in Dhamrai, Dhaka on Wednesday.

Benazir Ahmed, a member of parliament from Dhaka-20 constituency, inaugurated the branch, said a press release.

Local buyers can now easily purchase Walton-made frost and non-frost refrigerators, freezers, LED and smart televisions, air conditioners, elevators, washing machines, generators, smartphones, laptops, fans, and other home and IT products from the branch.

Customers can purchase these products on instalments with zero interest for up to 6 months and also get special benefits under the “Hire purchase and family protection policy”.

Among others, Humayun Kabir, deputy managing director of Walton, actor Amin Khan, senior executive director, comedian Abu Hena Roni, and Wahiduzzaman, chief sales executive of Walton Plaza, were present.



Benazir Ahmed, a member of parliament from the constituency of Dhaka-20, cuts a ribbon to inaugurate a branch of Walton Plaza at Kawalipara in Dhamrai, Dhaka on Wednesday.

PHOTO: WALTON GROUP



Mohammed Yunus, chairman of Shahjalal Islami Bank Ltd, presides over the 363rd meeting of the board of directors of the bank at its corporate head office in Dhaka on Wednesday. Among others, Abdul Karim Nazim, vice-chairman, Md Sanaullah Shahid, Md Abdul Barek, Akkas Uddin Mollah, Khandaker Shakib Ahmed, Md Towhidur Rahman, Mohammed Nasir Uddin Khan, Fakir Akhtaruzzaman, Md Moshir Rahman Chamak, Tahera Faruque and Jabun Nahar, and Fakir Mashrikuzzaman, directors, Ekramul Haque, KAM Majedur Rahman and Nasir Uddin Ahmed, independent directors, Mosleh Uddin Ahmed, managing director, and Md Abul Bashar, company secretary, were present.

PHOTO: SHAHJALAL ISLAMI BANK



Sharif Moinul Hossain, executive vice-president of Padma Bank Ltd, and Prof HM Jahirul Haque, vice-chancellor of Canadian University of Bangladesh (CUB), exchanged signed documents of a memorandum of understanding at the latter's office on Pragati Sarani in Dhaka on Wednesday. Under the MoU, the university will acknowledge the bank's employees as its ambassador of goodwill and give them discount and scholarship opportunities if they study at the CUB.

PHOTO: PADMA BANK

## Oil, gas majors post sliding profits on weaker prices

AFP, London

Shell joined other energy majors Thursday in posting sliding profits after oil and gas prices weakened from peaks reached in the wake of Russia’s invasion of Ukraine.

Energy prices had soared a year ago following the key producer’s invasion, sending global inflation to the highest levels in decades and providing record profits for oil and gas companies.

Gas and oil prices have since pulled back but remain at elevated levels, prolonging a cost-of-living crisis.

British giant Shell on Thursday said its profit after tax came in at \$3.13 billion in the second quarter, down 80 per cent compared with the April-June period a year earlier.

“Shell delivered strong operational performance and cash flows in the second quarter, despite a lower commodity price environment,” chief executive Wael Sawan said in an earnings statement.

Despite the drop in profits, caused also by lower gas sales, Shell said it would return \$3 billion to shareholders.

**British giant Shell said its profit after tax came was \$3.13 billion in the second quarter, down 80 per cent compared with the April-June period a year earlier**

Elsewhere Thursday, French group TotalEnergies said its net profit dropped 28 per cent to \$4.1 billion in the second quarter from a year earlier.

“In a favourable but softening oil and gas environment TotalEnergies once again delivered this quarter robust results, strong cash flow, and attractive shareholder distribution,” chief executive Patrick Pouyanne said in an earnings statement.

The share price of Shell was down around one percent, while TotalEnergies grew 0.6 per cent, following the earnings updates.

Spain’s Repsol also posted a sharp drop in net profits on Thursday, a day after similar results reported by Norwegian state-owned energy company Equinor.

“The impact of the sharp falls in oil and gas prices was laid bare... and with BP results next week this is likely to be a familiar theme,” noted Michael Hewson, chief market analyst at CMC Markets UK.

Gas prices had soared last year after Russia cut gas shipments to Europe while oil markets were also rocked by supply concerns.

But natural gas prices fell sharply as European countries found new suppliers, built up reserves and experienced a mild winter.

Oil prices have also tumbled, partly on fears of falling demand as the global economy slows, with major consumer China’s post-Covid recovery stumbling.

Profits remain large, however, as oil and gas firms pivot toward cleaner energy and away from fossil fuels.

Repsol’s net profit slumped 44 per cent in the first half on falling energy prices but also owing to investments in low-carbon projects, it said.

## Obscure traders ship

FROM PAGE B4

The new players have shipped at least half of Russia’s overall crude and refined products exports of 6.8 million barrels per day (bpd) on average this year, turning the little-known companies collectively into some of the world’s largest oil traders, according to Reuters calculations based on private information from the 10 trading sources and Eikon data.

The companies began appearing after Russia’s February 2022 invasion of Ukraine, which Moscow calls a special military operation, with as many as 30 middlemen involved in trades over the course of last year, according to the tally.

The network marks a major departure from the handful of well-established oil majors such as BP and Shell and top trading houses including Vitol, Glencore, Trafigura and Gunvor that handled Russian crude and oil products for decades.

There is no suggestion the trades break sanctions, although they may make it difficult for sanctions enforcement agencies in Europe and the United States to track Russian oil transactions and prices.

Earlier this month, Urals prices jumped above a price cap of \$60 a barrel on Russian exports imposed by the Group of Seven nations, Australia and the European Union from December 5 that was intended to punish firms involved in any trade above that level.

When prices are above the cap, the rapidly changing trading network could make it hard to identify those involved in moving the oil, five traders involved in handling Russian oil said.

The reporting shows that in May, Russia, one of the world’s top three oil producers, supplied record volumes to China and India, which have not imposed sanctions on Moscow and became its leading buyers after sanctions by Europe, the United States and other powers limited their own purchases.

Neither Guron Trading or Bellatrix Energy, the company that originally chartered the Leopard I and bought

the cargo from Russian oil company Rosneft, responded to requests for comment. Rosneft did not respond to questions.

The websites for Guron Trading and Bellatrix Energy appeared to have been taken down recently. Both were online prior to the companies being contacted by Reuters.

Along with the emergence of the new companies, once rare multiple trades while ships are at sea have become widespread, the five sources involved in Russian oil trading said. The sources described at least 10 such trades, which happen with little public documentation and aim to make Russia’s oil exports more difficult to track, they said.

One buyer of Russian oil likened the rise and fall of the new traders to the brief careers of TikTok stars, while another trader described a “kaleidoscope” of new players. In some cases, a single cargo will pass through at least three traders, the oil buyer said.

Under the previous system, oil cargoes were generally handled by one well-known trader from source to destination. Reuters could not establish the ultimate owners of the new trading companies.

The growing network of pop-up traders overlaps with a booming market for old oil tankers supplied by new companies to carry Russian oil that Western shippers are avoiding.

The new trading network and practices raise financial risks for Russian oil companies dealing with unknown entities with limited credit history. Some of the companies that emerged as major traders of Russian oil last year, such as Coral Energy and Everest Energy, have since exited the business.

Responding to questions from Reuters, both denied they left the trade because of sanctions risks. Everest said “it was a strategic business decision based on various factors specific to our company”. Coral said “we made a decision to source outside of Russia thanks to the diversified footprint in MENA region”.

## ACI to enter

FROM PAGE B1

pharmaceuticals, ACI said it plans to take a 5 per share in a digital bank named Kori Digital PLC by investing Tk 10 crore subject to the approval of authorities.

ACI is the latest company that has disclosed plans to invest in digital banks after two listed companies — Bank Asia and Crystal Insurance — shared a similar plan. Shares of ACI closed changed at Tk 260.20 on the Dhaka Stock Exchange.

The Bangladesh Bank last month invited applications from entrepreneurs interested in establishing digital banks. The BB will accept applications until August 1 this year.

Investors willing to set up a digital bank must have a minimum paid-up capital of Tk 125 crore and the capital will have to come from the sponsors.

## Robi returns

FROM PAGE B4

Robi contributed Tk 1,684 crore to the government exchequer in the three-month period, which accounted for 66.3 percent of its revenue.

“Unless we address this bottleneck, we are always going to struggle to match up to our full potential as a leading digital service provider of the country,” he said.

Robi added eight lakh subscribers in the second quarter, raising its subscriber base to 5.64 crore, representing 30 percent of the market share.

A total of 10 lakh data users were added to Robi network between April and June, which lifted its data user base to 4.31 crore. Some 76.5 percent of subscribers were data users at the end of the second quarter.

Having added 16 lakh 4G users, Robi’s 4G user base expanded to 3.24 crore. Its 57 percent subscribers use 4G.

The company said it ensured 98.5 percent 4G population coverage with more than 16,000 sites across the country. Shares of Robi closed at Tk 30 on the Dhaka Stock Exchange yesterday, unchanged from a day earlier.





Visitors are seen at the 5th International Marinetechnology Bangladesh Expo & Dialogue-2023 that kicked off at the International Convention City Bashundhara in Dhaka yesterday. Around 75 companies and organisations from six countries are taking part in the exposition.

PHOTO: SK ENAMUL HUQ

## ICGAB gets nod to conduct academic activities

### STAR BUSINESS REPORT

The government has allowed the Institute of Certified General Accountants of Bangladesh (ICGAB) to conduct their academic activities and issue certified general accountant degree on some conditions.

The commerce ministry issued a notification in this regard on Wednesday.

The ICGAB would conduct academic activities and be able to issue certificates, read the notification.

However, the ICGAB would not be able to conduct audits in any office and they have to play a helpful role in enhancing the skills of ordinary professional accountants, it read.

The ministry has also asked the institute to improve the content of the course and the quality of examination to award CGA degrees.

Moreover, the institute has to submit annual income and expenditure account statement to the ministry and spend its income for the institute or for the development of the profession, according to the notification.

## First Finance's board restructured

The company's accumulated loss now stands at Tk 325cr

### STAR BUSINESS REPORT

The stock market watchdog has restructured the board of First Finance as the non-bank financial institution has been performing poorly for a long time.

At present, the company's accumulated loss stands at Tk 325 crore and the total shareholders' equity is Tk 169.8 crore in the negative, according to the letter the Bangladesh Securities and Exchange Commission (BSEC) sent to the company.

The BSEC letter was posted on the website of the Dhaka Stock Exchange (DSE) yesterday.

According to Investopedia, shareholder's equity is a company's net worth and it is equal to the amount that would be returned to the shareholders if the company must be liquidated and all its debts are paid off.

If a company's shareholder equity remains negative, it is considered to be balance sheet insolvency.

First Finance got listed with the stock exchange in 2003 and was

downgraded as a Z category share in 2016 because of its failure to provide any cash dividend to its shareholders for the last 14 years.

On top of that, around 86.6 percent of the company's loans have become non-performing loans.

The share price of the company is Tk 5.5 now and it could not find any buyer for many days.

"There are several irregularities and instances of non-compliance that have negative implications for investors, and hence undermine the trust and confidence of investors," the BSEC said. It potentially led financial losses and diminished the reputation of the company, the commission said.

In this situation, the stock market regulator directed the chairman, directors and managing director of the company along with both the stock exchanges to reconstitute the board of the NBFI.

The regulator has ordered the company to include five independent directors in its board, which are: Abul Kalam Mohammad Humayun Kabir,

Khandoker Nizamuddin, Mohammad Rafiqul Islam Rowly, Prof Mohammad Shofiqul Islam and Qazi Moinuddin Mahmud.

The board of directors of First Finance shall be reconstituted, within 45 working days from the issuance of this directive incorporating five new independent directors to the board of directors of the company, the BSEC letter read.

The Dhaka Stock Exchange and Chittagong Stock Exchange shall monitor every phase of activities of the issuer company and shall report the matter to the commission in due course, it added.

This is not the first board reconstruction to be done by the BSEC.

During 2019 to 2021, the stock market regulator restructured the board of C&A Textiles, Ring Shine Textiles, United Airways, Familytex (BD), Emerald Oil, Fareast Finance, Fareast Islami Life Insurance, FAS Finance, BD Welding, and Al-haj Textiles.

Some of them are trying to rebound while some are still struggling.

## Dream71 to develop job portal for East Timor

### STAR BUSINESS REPORT

Dream71 Bangladesh Limited, the country's leading software company, is set to develop a job portal for the government of East Timor.

The portal will be developed under a project, titled Youth Employment and Entrepreneurship Skills (YUES), of the United Nations Development Program-East Timor (UNDP-East Timor).

UNDP-East Timor and Dream71 recently signed an agreement in this regard, according to a statement. An international tender was invited by UNDP-East Timor last May for the design and development of a government job portal.

A significant number of companies from different countries participated in the tender.

Bangladesh's Dream71 won the project based on technical and financial proposals.

The purpose of the project is to create a bridge between employers and job seekers in East Timor.

Apart from making the portal, the apps for Android and iOS platforms will also be made under this agreement.

Earlier, under two other projects of the UNDP, Dream71 made mobile games for the Ministry of Education of East Timor and a software for the country's parliament.

In addition to East Timor, it also worked with UNDP Bangladesh and UNDP-Turkey offices to develop software.

Rashad Kabir, managing director of Dream71, said: "Getting any international work is a great pleasure because we are not only earning foreign currency, but also the reputation and branding of Bangladesh is increased through our work."

"We have successfully completed two more projects in East Timor before this, and they have continued to trust Dream71," added Kabir, also a director of the Bangladesh Association of Software and Information Services.

Apart from East Timor, the company has supplied software to more than 15 countries, including Japan, South Korea, Turkey, Bhutan, Netherlands, the United Kingdom, United Arab Emirates, Afghanistan and Lithuania.

## Dutch-Bangla Bank's profit drops 23% in Apr-Jun

### STAR BUSINESS REPORT

Profits of Dutch-Bangla Bank dropped 23 percent year-on-year in the April to June period of 2023.

The earnings per share (EPS) of the lender was Tk 1.54 in the second quarter of 2023, down from Tk 2.02 in the same period the previous year.

Though the profit of the company dropped, its share price remained unchanged at Tk 59.1 yesterday at the Dhaka Stock Exchange (DSE).

Due to the drop in profit in the second quarter, the bank's profit fell in the first half of 2023.

Its EPS stood at Tk 3.21 in January to June period of 2023, down from Tk 3.33 in the same period of 2022. The lender provided 17.5 percent cash dividend and 7.5 percent stock dividends to its shareholders for 2022.

Sponsors of the A category stock hold 86.9 percent shares, institutional investors 5.83 percent and the rest by the general investors.



Sachimi Hussain, vice-chairperson of Rangs Electronics, Ekram Hussain, managing director, and Jeremy Hang, president of Sony Electronics (S) PTE Ltd, attend the launching ceremony of the 2023 Sony Bravia L Series LED TV at its Sonartori Store on Sonargaon Road, Banglamotor in Dhaka recently.

PHOTO: RANGS ELECTRONICS

## Rangs launches Sony Bravia L Series LED TV

### STAR BUSINESS REPORT

Rangs Electronics Ltd recently launched the 2023 Sony Bravia L Series LED TV at its Sonartori Store, Banglamotor in Dhaka.

Powered by the cognitive processor XR™ on Sony Bravia XR™ OLED TVs, the content reproduces the way humans see and hear for an incredibly lifelike experience, said a press release.

The all-new L series 4K models inherit Sony's picture processing technology with 4K processor X1™, upscaling the content to 4K with 4K X-Reality™ PRO, wide colour gamut with TRILUMINOS pro display.

Along with this OLED, "Google TV" is now available in all ranges of models from 43" HD to 85" 4K UHD TV.

## FBCCI election now

FROM PAGE B1 Bangladesh, the chamber group and the association group get the chance to elect their nominee as the president in an alternate term.

So, the next president will come from the chamber group, which is being led by Mahbul Alam.

This is because all 32 nominated directors are backing Alam and his panel has also won all 23 posts of the directors up for grabs in the chamber group unopposed.

In total, Alam's panel has already won 55 posts against a total of 78.

Alam could not be reached for comments. Md Amin Helaly, vice-president of the FBCCI, said it would have been better if all candidates contested in the election, but this would not be possible this year since four candidates withdrew their candidatures.

He said the FBCCI mainly targets to choose qualified business leaders who are capable of deal with the challenges facing the business community. Nearly 85 per cent of the economy is controlled by the private sector.

"The FBCCI needs leadership for

taking the economy to the next level."

A number of former and incumbent leaders of the federation believe the nominated and elected directors will be able to deal with the challenges confronting the economy.

Mir Nizam Uddin Ahmed, the representative of the Bangladesh Electrical Association, said he and his panel members were also offered the opportunity to be elected unopposed.

"But we declined to accept the offer. Our panel has decided to participate in the election because there is no glory in winning in an unopposed election process."

Md Ali Zaman, president of the SME Owners Association of Bangladesh, who contested the election last time, said many are interested in contesting in the polls but sometimes they can't do so for various reasons.

He did not specify the reasons.

There are 2,500 voters this year. The winning 78 directors will elect one president, one senior vice-president, and six vice-presidents for the 2023-25 tenure.

## Vehicle insurance business Bangladesh loses \$361m tax

### FROM PAGE B1

Abdullah Al Maruf, a resident in the capital's Pallabi area, said he has been riding a motorcycle for the past several years without any insurance.

He did not purchase any policy despite the risks because of the confusion about whether he would get adequate support from the insurance company if he faces any accidents.

Ashrafuz Zaman, another resident in Dhaka, bought a private car four years ago but it hasn't been insured yet.

He is also confused like Maruf about whether he would reap any benefits if he purchases any policy.

"I have not seen many examples of people receiving benefits from insurance policies. Insurance companies also don't promote their products much."

Shahidul Islam Zahid, a professor of banking and insurance at the University of Dhaka, said vehicle insurance is important as it helps policyholders reduce liabilities and pay for the damage caused during unfortunate incidents.

"Most people are not insuring their vehicles due to a lack of trust in most insurance companies. The companies can't avoid their responsibility."

Prof Zahid added that there are conditions that prospective policyholders can't meet.

Recently, the government has moved to make insurance mandatory for vehicles again.

If not insured, owners will have to pay a fine of up to Tk 3,000 for each vehicle and if the law is not followed, police will file a case, according to the draft law.

An official of the Financial Institutions Division said a proposal to make insurance mandatory was sent to the finance ministry in April.

The division also sent a letter to the Road Transport and Highways Division in May, the official said, adding that the government loses revenue of Tk 878 crore every year since vehicle insurance is not mandatory.

The number of vehicles such as motorcycles, cars, buses and trucks that ply on the road in Bangladesh stood at 56,61,418 in February this year.



PHOTO: HABIBUR RAHMAN

In the past, insurance was mandatory for all types of vehicles.

## Bangladesh loses \$361m tax

### FROM PAGE B1

The TJN said Bangladesh's tax loss is equivalent to nearly one-third of its health budget or 6.19 percent of its education spending.

Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue, said tax evasion and avoidance in the domestic circuit are widespread in Bangladesh.

"We have in the past found evidence that several Bangladeshi nationals have also been using tax havens. However, no visible action was taken despite making pledges and commitments at the policy level," he added.

In this globalised and interconnected world, it is difficult to escape the vicious shadow of tax havens. Any country with the presence of multinationals will be at risk, said Khan, suggesting policymakers be more active in areas of international cooperation for tax issues.

"Until now, the voices of smaller economic powers have been largely ignored. Bangladesh should invest in technical aspects of international taxation and pursue diplomatic efforts," he added.

The State of Tax Justice 2023 reports that countries around the world are losing \$472 billion in tax a year due to global tax abuse.

Of this annual loss, \$301 billion is lost to multinational corporations shifting profit into tax havens and \$171 billion is lost to individuals hiding wealth offshore.

Lower income countries, which have historically had little to no say on global tax rules, continue to be hit harder by global tax abuse, it said.

While most annual tax losses amounting to \$426 billion are suffered by higher income countries, these losses are equivalent to 9 percent of their public health budgets. Lower incomes countries' tax losses add up to \$46 billion and are equivalent to more than half of their public health budgets.



## Islami Bank's profit rises slightly

STAR BUSINESS REPORT

Islami Bank Bangladesh Ltd's profit grew 1.4 percent year-on-year to Tk 343.33 crore in the January-June half of 2023.

The Shariah-based private bank made a profit of Tk 338.70 crore in the identical six-month period last year.

Thus, earnings per share increased to Tk 2.13 in the six months to June from Tk 2.10 in the same period the previous year, said the bank in a disclosure yesterday.

In April-June this year, IBBL's EPS grew to Tk 1.78 from Tk 1.58 in the same quarter of 2022. So, profits rose 12 percent to Tk 286 crore.

It had fallen 32 percent to Tk 57.12 crore in January-March, according to its financial statements.

IBBL shares closed at Tk 32.60 at the DSE yesterday, unchanged from a day earlier.



As per Lloyd's List, Chattogram port handled about 3.14 million TEUs of containers in 2022, down 2.2 per cent from around 3.21 million TEUs the previous year.

PHOTO: STAR/FILE

## Robi returns to profit

STAR BUSINESS REPORT

Robi Axiata Ltd, the second largest mobile phone operator in Bangladesh, made a Tk 24.4 crore profit in the second quarter of 2023.

With this, the carrier recovered from a Tk 12.15 crore loss it suffered during the same period a year ago.

Thus, earnings per share were Tk 0.05 in April-June of 2023, rebounding from a Tk 0.02 per share loss a year ago, according to its financial statements.

The profit surged 140 percent year-on-year to Tk 66.38 crore in the first half of the year. It was Tk 27.67 crore in the identical half of 2022. So, the consolidated EPS rocketed to Tk 0.13 from Tk 0.05 a year prior.

"Given the macro-economic challenges, we are very happy with the overall performance of Robi," said Robi Chief Executive Officer Rajeev Sethi during a press conference at the operator's corporate office in Dhaka.

The revenue stood Tk 2,539.9 crore in the second quarter, Robi said in a press release.

"We are very proud to note that 39 percent of our revenue in the second quarter came from the data business, clearly demonstrating that our digital vision is producing concrete results. In fact, the data revenue was one of the key drivers in pushing up profitability for the quarter."

The company made capex investment of Tk 762.2 crore from April to June to further bolster its 4G network.

The telecom operator said earnings before income tax, depreciation, and amortisation stood at Tk 1,065.5 crore with a 42 percent margin.

"Unfortunately, the growth momentum, to a large extent, was undone by the hefty payment we had to make to the government exchequer," Sethi said.

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LLOYD'S LIST: ONE HUNDRED PORTS 2023

# Chattogram port slips three notches

DWAIPAYAN BARUA, *Chattogram*

Holding its rank among the busiest seaports worldwide could be compared to climbing an oiled bamboo for Chattogram port as it again slipped by three notches in Lloyd's List: One Hundred Ports 2023.

After advancing three steps to 64th in last year's edition of Lloyd's List, Chattogram port has fallen back down to 67th among the 100 busiest global ports in terms of annual container movement.

The latest edition of the maritime intelligence journal was published last week, tallying up the annual container throughput figures of the world's elite port facilities for 2022.

As per Lloyd's List, Chattogram port handled about 3.14 million TEUs (twenty-foot equivalent units) of containers in 2022, down 2.2 per cent from around 3.21 million TEUs the previous year.

Chattogram port had advanced in rankings for seven years straight since 2014, but it eventually slipped nine notches to 67th in the 2021 edition, mainly for reduced container traffic the year before.

This is because Bangladesh had seen a substantial decrease in outgoing shipments of garment items amid the coronavirus outbreak in 2020.

However, it bounced back by advancing three steps in 2022 by handling a record number of containers the year prior.

The port had ranked 58th in 2020, 64th in 2019, 70th in 2018, 71st in 2017, 76th in 2016, 87th in 2015 and 86th in 2014.

Regarding this year's position in the global ranking, the journal remarked that the progress of Bangladesh's premier seaport's remains hindered by capacity limitations.

On the other hand, port officials reasoned it was for a decrease in foreign trade resulting from impacts of the Russia-Ukraine war that began in early 2022 and subsequent slowdown in imports later that year.

After advancing three steps to 64th in last year's edition, Chattogram port has fallen back down to 67th among the 100 busiest global ports in terms of annual container movement

Md Omar Faruk, secretary of the Chittagong Port Authority, said the reduction in container traffic was an impact of the Russia-Ukraine crisis as well as restrictions on the import of luxury goods. However, overall cargo and ship handling at the port increased last year, he added.

Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry, said the Russia-Ukraine war slowed economic activities across the world and Bangladesh is no exception as the country saw a marked decline in

export orders.

"Imports also fell significantly due to the acute US dollar crisis, which is evident in the shipping trade as container traffic has reduced," he added.

Still, Alam is optimistic about a positive turn in the global economy in the coming future and emphasised on expediting port expansion projects, such as constructing the Bay Terminal.

As per Lloyd's List, the post-pandemic boom that helped the global container port sector recuperate from Covid-induced losses started to fade in 2022.

"For the world's container ports, this meant a return to the days of moderate demand growth -- a trend that had become a firm fixture for the industry pre-Covid," it said.

The 100 ports featured in the latest rankings achieved combined container volume growth of 1.5 per cent in 2022, with total liftings stacking up to 685.8 million TEUs.

The plus point of a more moderate demand picture was that it granted ports -- and container shipping in general -- much-needed respite from chronic congestion that had choked supply chains throughout 2021.

"With one challenge over, however, another began. Indeed, the operational landscape for the world's top container ports did not get any easier in 2022," the journal said.

Russia's invasion of Ukraine at the start of the year triggered a massive shock to a global economy still reeling from the effects of the worst pandemic in a century, it added.

## Dealing with performance pressure

MAHTAB UDDIN AHMED

Once, a poultry farmer was advised by his industrialist friend to corporatise his farm and how it would multiply his profits. Convinced the next day, he walked into his barn and announced to all his chickens that the days of laying one egg a day is over. From now on, they would each have to lay ten eggs a day, and if not, they would get low-quality feed.

As soon as the door shut behind the farmer, the worried chickens held a meeting. A panicked senior said that her son is studying abroad, and another said he must pay a mortgage for their luxury apartment, and it turned out that everyone had some financial pressure or other.

The meeting concluded with the unanimous decision that they would improve productivity by ten times. The farmer was very pleased with the 10-fold performance improvement of all, except one, whom he annoyingly charged why he failed to perform like the rest of them. The hapless chicken replied that it was impossible for him to lay eggs as he was a rooster!

If I were to ask any young graduate if he or she would like to work in the corporate world, the answer would surely be in the affirmative. It is not as if they are not aware of the highly demanding nature of corporate jobs, but they are drawn to the apparent glory of it all.

Back to back meetings, working long hours, stressing over pending targets etc., can be physically and mentally draining, especially when one is bereft of the few hours of pure leisure in the morning and evening for months and years on end.

When you are in such a job, the question that pops in your head is whether such a life is fulfilling or not. But corporate people accept this life easily, not only because they are surrounded by people who are in the same race but also because of constraints created by themselves, such as a high standard of living, mortgage and children's tertiary fees.

Hard work and self-discipline come hand in hand, but the key is to strike the right balance. Too much or too little work pressure could be counterproductive. Performance pressure can be beneficial when it motivates people to take on challenges, learn new skills, and achieve set goals. It's called "good stress" and has proven to improve performance, health, and well-being at work.

However, it can be detrimental when it exceeds people's coping abilities, causing anxiety and burnout, turning good stress into "bad stress" or "distress".

The ideal level of performance pressure can vary in individuals, depending on their personality, skill sets, preferences, the nature of the task, and work environment. Some can thrive under pressure while others may buckle.

Leaders can play an important role by providing clear goals and feedback, offering resources and support, creating a positive and trusting culture, and guiding the team to find the right balance of performance pressure. They can also help their team cope with pressure by encouraging them to plan ahead, prioritise, delegate, take breaks, use positive self-talk, practise in similar settings, and seek help when needed.

Performance pressure can be challenging, but there are some strategies that can help you cope and succeed.

Some guidelines that one may consider include having clarity on the task in hand, not aiming for perfection, knowing your abilities and limitations, focusing on task completion rather than number of tasks, having a clear plan, and remaining positive.

Performance pressure is like a spicy cooking sauce: a little bit can add some gusto and excitement to your work, but too much can make you cry and regret your choices. So, the next time you feel overwhelmed by the demands of your job, remember to take it easy and savour. Or better yet, switch to a milder sauce! Happy serving!

The author is founder and managing director of BuildCon Consultancies Ltd



AFTER SANCTIONS

## Obscure traders ship half of Russia's oil exports to India, China

REUTERS, Moscow/London/New Delhi

A Liberian-flagged oil tanker set sail in May from Russia's Ust-Luga port carrying crude on behalf of a little-known trading company based in Hong Kong. Before the ship had even reached its destination in India, the cargo changed hands.

The new owner of the 100,000 tonnes of Urals crude carried on the Leopard I was a similarly low-profile outfit, Guron Trading, also based in Hong Kong, according to two trading sources.

The number of little-known trading firms relied on by Moscow to export large volumes of crude exports to Asia has mushroomed in recent months, since sanctions over the Ukraine war led major oil firms and commodity houses to withdraw from business with producers in Russia, reporting by Reuters has found.

At least 40 middlemen, including companies with no prior record of involvement in the business, handled Russian oil trading between March and June, according to a Reuters tally after speaking to 10 trading sources, along with analysts from think-tank Kpler, and analysing data from Refinitiv and the non-public books of shipping companies.

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# Fed lifts rates to highest since 2001

AFP, Washington

The US Federal Reserve raised its benchmark lending rate on Wednesday to the highest level since 2001 to tackle above-target inflation, and signaled it could hike again later this year amid improving economic prospects.

"Policy has not been restrictive enough for long enough to have its full desired effects," Fed Chair Jerome Powell told reporters after the decision to lift interest rates by a quarter percentage-point was announced.

"So, we intend, again, to keep policy restrictive until we're confident that inflation is coming down sustainably toward our two percent target -- and we're prepared to further tighten if that is appropriate," he added.

The increase, after a brief pause in June, brings the Fed's key lending rate to a range between 5.25 per cent and 5.5 per cent.

In a statement, the US central bank said it will "continue to assess additional information and its implications for monetary policy," looking at a range of data points "in determining the extent of additional policy firming."

This indicates that officials see the possibility of more monetary tightening ahead. "We're going to be going meeting

by meeting," Powell said.

At the previous meeting of the rate-setting Federal Open Market Committee (FOMC) in June, the median forecast was for two additional rate hikes this year.

The latest quarter percentage-point rise, which was in line with analysts' expectations, is the Fed's 11th since it began an aggressive campaign of monetary tightening in March 2022 in

response to rising prices.

Although inflation has continued to fall since the decision in June to pause rate hikes, it remains above target -- suggesting more policy action may be needed.

"Inflation has moderated somewhat since the middle of last year," Powell said on Wednesday, adding that the "process of getting inflation back down to two



Federal Reserve Board Chairman Jerome Powell speaks during a news conference after a Federal Open Market Committee meeting on Wednesday.

PHOTO: AFP